Report of the Committee of the
Bengal Chamber of Commerce
1879-80

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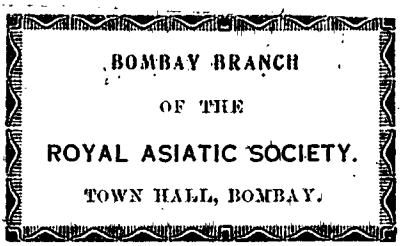


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# REPORT

OF

# THE COMMITTEE

OF THE

# BENGAL CHAMBER OF COMMERCE.

For the half-year ended 30th April 1879.

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1879.

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THE BOMBAY BRANCH OF THE

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telegrams from London of the recent debate would lead us to suppose that the proposals were not made known to the House of Commons, and that the Under-Secretary confined himself to stating that they were of a kind which could not be sanctioned. But if the scheme be anything like that which was guessed at, or foreshadowed from partial knowledge, by some of the newspapers, no ultimate good could result from its adoption. Borrowing £10,000,000 in London with the view of availing of this amount for payment of home charges in place of by Council drafts will no doubt encourage the export of silver to this country. The demand thereby occasioned will increase its value, and exchange will probably improve to a proportionate extent for a time. If the course of the silver market be in its favor, and if the price of silver advances owing to a larger general demand, and if, at the same time it be assisted by a diminished supply in the market, the operation will be a successful one. But if the market for silver has no natural spring about it, the operation will not be successful, and a new burden of foreign payments, requiring more Council drafts to meet it, will fall upon India. After a temporary inflation the recoil will follow, and we shall be in a worse state after the device than before it; for the inflation will have stimulated production and more silver than

otherwise would have been the case will press upon the market. Another plan which has been advocated with great ability is that a seignorage be charged on the mintage of the rupee, equal to any fall which may take place in silver below 60d. per oz. In other words that, assuming 60d. to be the normal value of silver, a tax equal to the amount of any fall below that figure shall be charged upon the coinage of the metal. It is held that by such an arrangement the value of the rupee in relation to the sovereign would always be 10 to 1, fluctuating slightly about this centre according to the state of business between India and other countries. Looking back upon the records of the Chamber, I find a similar plan was adopted and advocated not only by the committee but by a majority of its members, and I am bound in courtesy, if for no other reason, to speak of it with the greatest respect. The Chamber's plan, if I understand it rightly, was that the mintage of silver should no longer be open to the public, but be subject entirely to Government discretion. The principle common to both plans is to make the rupee dearer by making it artificially scarce. I wish to show what the effect of such a plan would be upon the general interests of the country. It is certain that if the value of the rupee be 1s. 8d. and the cost of it be raised by tax to 2s., the quantity of silver

in use in the form of rupees would be diminished in this country. To the extent that it is diminished here, it would be increased somewhere else. Let us say the increase would be in London. Silver as well as other commodities are sent by the foreign merchant to India to exchange for the products of India. For the sake of simplicity, I shall select for illustration one of these products:—Tea. The merchant finds that the purchasing power of his silver is reduced 20 per cent. by the seignorage tax. He learns that in China, Japan, and Java, no such tax is imposed. He will of course take his silver to the places where he can get the most tea of equal quality for his silver. Supposing that the market values of the teas in all the tea producing countries are the same or nearly so, the merchant will not give the India tea planter 1s. 8d. worth of silver per lb. for tea and the Indian Government 4d, if he can get the same value elsewhere for 1s. 8d. What will happen, then, is that the India tea planter must reduce his price to the extent of the tax, and this would be the measure of the disadvantage which the India tea planter would be under in comparison with the tea producer in other countries. The seignorage would be equivalent to an export duty of 20 per cent. The same result would follow in transactions for all other kinds of produce. Then, it has been supposed

that, by levying a seignorage of this kind, exchange would be brought back to par: as Rs. 10 would be worth a sovereign here, it is thought that bankers would be willing to pay a sovereign in London in exchange for Rs. 10 in India, plus the usual margin for expenses and profit. I don't think bankers would do any thing of the sort. I think they will give us, at most, gold in London equal to the value of the rupees in London; and as we have seen that the effect of the artificial restriction upon the use of silver here would be to diminish the value of the rupee in London, exchange would be lower than if it were left to follow its natural course. If it be replied that the banker would not remit rupees to London but buy other bills with them, that only removes the difficulty one stage further back; for no one would sell bills on London 20 per cent less than their value, unless with the proceeds he could purchase produce which would realize in London the sterling amount of the bill. However far we travel in the analysis of commercial transactions, we can never get over the fact that if Government put money in the pockets of one class of its subjects, such as holders of silver, it must first take it out of the pockets of those who don't hold it. Government cannot create wealth by decreeing that it shall exist. All that it can do by legislation of the kind suggested, is to transfer the loss

from those who are unfortunate or mistaken, to those who are more fortunate or more prudent. Another scheme is that an arrangement shall be entered into with England to make the rupee legal tender in that country at the rate of Rs. 10 to £1. All that need be said about such a device is that in 12 months India would have few rupees, and England few sovereigns. The gentleman who makes this proposal says he lived many years in India, and, knowing the country well, he believes it would meet with the favor of the native community. If he has any doubt about it he might try the experiment with his own sovereigns. I can answer for it that it would suit both natives and Europeans in India remarkably well. This gentleman seems to have some disciples in India. Those disciples might return the compliment and ask W. H. O., who writes the pamphlet offering this suggestion as a solution of the silver problem, to ascertain whether it would be agreeable to the English people to take gold mohurs as sovereigns. I have lived in England many years, and I believe there is nothing they would like better. Then there has been Colonel Chesney's scheme; and there have been schemes for increasing the weight of the rupee; for having a gold standard without a gold currency, which seems to me like having race-horses without legs; and many others, all of which have been born to die and are dead.

The last and most important scheme is that of bi-metallism. I understand that this scheme proposes to get rid of the influence which supply and demand, and cost of production, have in determining the prices of silver and gold; and that legislation shall determine for all circumstances and fix for all time the ratio in which these metals shall be exchanged. It may be as well as to see how this principle has acted in the past, for it is not new like some of the other schemes. On the contrary, England has the experience of it for 600 years, and France for about the same period. From the conquest up to 1256, silver was the sole standard in English coinage, but in that year the Government determined, to use the phraseology of the bi-metallists, to enthrone gold, and then commenced the action of the double standard. But the principle of modern bi-metallism was not fully applied. The Government of that time and those for about two centuries after, knew that anything they could do would not prevent the recurrence of change of value in the two metals. And, accordingly, while gold was recognised as a legal tender, the ratio of its value with silver was liable to be changed at any time by public proclamation. The use of gold for the purposes of money had been growing during the previous two centuries with the development of trade, and debts were liquidated

in gold, and ready money payments were made in gold as well as in silver; but the basis of settlement was, that as much gold should be paid as would be equal on the day of payment to the silver value of the debt. The account was reckoned in silver, and it was a matter of arrangement between the creditor and debtor how much gold should be given in satisfaction of the debt. This practice in the 12th century had grown into a very general custom in the next century; and Government recognised the custom; but it went one step further, and made it obligatory upon the creditor to accept payment in gold or silver at the pleasure of the debtor, but the principle was maintained that a gold payment should be of equal market value to the silver amount of the debt.

In 1256 when the law of the double standard first came into force, the value of gold was only as 1 to 10 of silver, but its value steadily increased until 1345, when it stood at 1 to 12½. A reaction followed, and in 60 years (1412) it had declined to 1 to 10⅓. From this time it began to advance, and in the reign of Henry VIII it touched 1 to 11¼. In the reign of Elizabeth it fell from 1 to 10½. During the next century it steadily rose, till in 1664 it stood at one to 14½, when the double standard ceased to be operative. The system lasted fully 400 years. During the

first three of those centuries the legal value of the two metals was frequently altered, and it corresponded pretty closely to the market value; but during the last 100 years Government took no notice of the fluctuations, and bi-metallism, as now advocated, had a full chance of showing what it could do in establishing, on an unalterable basis, the market price of silver and gold. Some curious results followed which were at the time not traced to the real cause. One of them was that if gold advanced above the fixed or mint price gold coinage disappeared; and if it went below the fixed price it somehow or other appeared again and silver vanished. Thomas Gresham, a London merchant, pointed out the cause of the successive disappearance and appearance first of silver and then of gold. It was the double standard with a fixed ratio between the two. When a price high enough to leave a profit could be obtained abroad for one of the metals it would be sent abroad, and the other metal would be brought home to replace or purchase more of the first. Say that £10 of English silver coin would sell in France for gold of the value of 10½ sovereigns clear, such a business would go on until the price in France declined and left no profit. If the demand lasted long enough England would most certainly be denuded of her silver money, and she would be prac-

tically tied up to one standard. And this is what actually happened in the time of the Stuarts and again in the reign of George III. In 1664 the double standard fell into abeyance. The silver had gone. There was no use proclaiming the ratio of value between silver and gold when there was only gold left. A reaction set in, and silver poured into the country; but, previous to the reaction,—and one of the causes of it—there had been a large accession to the stock of gold, which was imported by the African Trading Company from the Guinea Coast. In honor of the successful enterprise, the coin that was then minted was called a guinea, but it was precisely of the same weight and fineness as the old pound and passed in account as 20 shillings. Towards the close of the 17th century, the price of silver and gold again approached the legal ratio of 1 to 14½, and then silver again began to fall, until in 1717 the price was 1 to 15¼. Sir Isaac Newton, who was master of the mint at the time, called the attention of the Government to the discrepancy that existed between the mint and market value of the gold and silver coinage, and the probability of a drain of gold arising. The bullion value of the gold pound, or guinea, as it was now called, had in 1717, advanced to 20 shillings and 8 pence, and gold was still looking up. As there was abundance of gold and silver in the

country in 1717, the Government decided to reinstate the double standard, but to adjust the ratio to the market price of the two metals. The pound or guinea was thereupon fixed at 21s instead of 20 as hitherto; this was to be a final fixing, but silver, after having fallen to 1 to 15¼, began to rise, and once more began to disappear. The old law against exportation was revived with no apparent effect. The silver coins became scarcer every day. Silver bullion being higher than the mint price of the coin, the plan adopted by the dealers when exportation of the coin was stopped was this: they bought, say, 1050 silver shillings for 50 guineas. The silver shillings were melted and were sold in the form of bullion for 51 guineas, which left a guinea profit. The 50 guineas were employed in buying another lot of 1050 shillings which went into the melting pot, and were again sold in bars for 51 guineas. The Government could not carry on this unequal contest, and it stopped coining silver money. Between 1790 and 1815, the total silver coinage did not exceed £60 a year. The silver vanished except that portion of it which was sweated or too much worn to be worth the smelters' attention. The coins were mere discs of silver, many of them clipped and debased beyond recognition. It was thus, by the action of the Government in fixing the proportion at which gold and silver

should be exchanged and sticking to the law until silver disappeared, that England, by the accidents of the markets, or the perversity of its rulers, and not from choice, became a gold country. It was in these circumstances that the famous act of 1816 was passed, which affirmed the doctrine that the principal measure of property ought to be made of one metal only. As there was only one metal left in England, there was no choice. Silver was believed to be the more stable and more suitable metal of the two. It was the universal measure of value in Europe and Asia. But the inflexible application of bi-metallism for a century left them but one metal to deal with. Now, I might trace in a similar way the history of the double standard in other countries, but it would be to present the same picture in another frame. What remains for me to do is to refer to what has happened in the money world since 1816.

From that time until 1864-65 there was very little change in the relative value of gold and silver, either in England, where there was a single standard, or on the Continent, where the double standard generally prevailed until recently. There had been large supplies of gold both from Australia and California from 1850 to 1862; and in the latter year a large demand set in from India for silver. With more gold in the market

and a larger demand for silver, the effect on the relative prices should have been to raise the price of silver, and this was what actually occurred. But the advance was checked by the issue of the Greenback currency in the United States of America, which gave that country three standards all of equal legal value. The silver and gold currencies becoming rapidly the more valuable left the Greenbacks to themselves, and poured in a steady stream into Europe. But the stream to India was wider and more rapid, and the price of silver still tended upwards. The stock in France was drawn upon. Silver flowed out and gold flowed in, and but for the close of the war in America, and the consequent falling off in the demand for India, it appears quite certain that France would have been as completely denuded of her silver currency as England was of hers 70 years before, and for the same reason. Then came the trying time of 1874 for those countries with a double standard. The unknown amount of silver that Germany was about to set free, the increase in the supply from Nevada, and at the same time a decrease in the demand for India, all indicated that a serious change in the relative values of the two metals was imminent. The law of the double standard on the Continent would be unable to bear the strain which threatened it, and the Goverments determined to sus-

pend its action. If this sketch of the history of bi-metallism be substantially correct, it will, I think, follow that whether the law be applied universally, as it was in Europe before 1816, or partially, as it has been since, it fails to preserve uniformity of value between silver and gold. Whether such uniformity of value be desirable or not it seems to me to be impossible of attainment. What is value? It is not something we can measure by inches or determine by weight; we cannot cut off a yard of it, or sell it by the bale, or pour it into a gallon. It is not of the essence of physical objects. It does not inhere in them as a quality like ductility in gold or whiteness in silver. If it did the value as well as the ductility of a sovereign would be the same at the bottom of the Hooghly as in the Burra Bazar. It is a misfortune that we have no word in our language to express the true meaning of value, and we accordingly by a kind of metonymy impute to objects what is only *our estimate* of them for gratifying our desires or supplying our wants. We speak of the value of a rupee. What is really meant is *our* value of a rupee. But just because we talk of a rupee having value as it has weight, we are apt to conclude that Government has power to alter its value as it has power to change its die or alter its size, and hence Government is frequently exhorted to

maintain its standard, by which is meant, not the maintenance of the weight or fineness of the metal, but the maintenance of its purchasing power. Value is what *we think* an object or a service will be worth to us. It is an estimate, a judgment, and that judgment is influenced, if not determined, by our varying wants, desires, hopes, and fears, even by our whims and fancies; and these affections of the mind are in their turn acted upon by the outer circumstances in which we may be placed. In this country, for example, Ice is a desirable commodity, and has in consequence a value. In Labrador it has no value, Government in attempting to fix the relative value of two or more things would thus require to begin with fixing men's opinions about them, and controlling their wants in regard to them,—and doing much else that no Government has yet ever succeeded in doing, although many Governments have attempted the unequal task. The remarkable feature about the bi-metallic movement is the fervour with which it is advocated by its Liverpool adherents. The question is a purely scientific one and somewhat abstruse, as all those know who have tackled it in the spirit of a student. But the present movement has the enthusiasm,—and the idioms, and the dogmatic conceits of a religious revival about it. There are meetings for anxious enquiry, and those who came with

their old beliefs go away, convinced. They have passed from darkness into light and are called converts. If any of those converts be a man of considerable position in social or business life, he is brought before other enquirers as a remarkable instance of conversion. Those whose beliefs differ from theirs are ignorant,—or foolish, or wicked. The doctrines of economists about supply and demand are called ignorant prejudices. One writer calls them plausible but shallow prejudices. They may be prejudices, and they may be plausible, but surely 'shallow' is not the word to apply to the matured utterances of men like Locke and Hume and Adam Smith; Ricardo; Stuart Mill; Say; Chevalier and Bastiat. Looking at the probabilties of the case, the shallowness may be on the other side. We have the views of the bi-metallists in eight conclusions, and those who have any curiosity in the matter might contrast the depth of these utterances with the shallow prejudices of Ricardo in his chapter on Currency and Banks. One of the remarkable cases of conversion addressed a meeting, and he told it, that he was "thoroughly converted from his prejudices, and his belief now was that a sound currency law must be such as will ensure a creditor being able to pay away what he received from his debtor as of exactly the same value as that for which he received it."

Taking the sentence as it stands, I think it is meaningless, but probably what the speaker wished to state was, that a sound currency law should ensure the invariability of the value of money. If this be his meaning, then, to put it into a concrete form, his conviction is, that if A gets £10 for a bale of cotton, he ought to be able to buy the same quantity of cotton a week or a month, a year or 10 years, hence for £10. I venture to remark that a man who gives this as some reason for his conversion, or who states his conviction in the way he has done, in the sentence I have read, had no convictions to be converted from. He had fallen into the current of general belief. He had heard people talk, and he may have talked himself of prices being low, as supplies were large and so forth. As a merchant he would take in the *Economist* and perhaps read it. His eye, his ear and tongue would become accustomed to the stock phraseology of the school, but as to thinking out an economic problem, there is evidence in the statement he makes that he had not advanced so far as to scratch the surface of one. But we are asked to accept the views of the Liverpool bi-metallists, because they are the views of practical men. Practical in what? They have a large and varied experience in mercantile phenomena, but the question is as to the causes of those phenomena. A practical

merchant may know as little of political economy as a practical stonebreaker may know of geology. This is the argument of the butterman in the play of "Our Boys." He had been 20 years in the trade, and surely he ought to know whether the article he dealt in was Dorset or Dussett. I have given you a specimen of a convert's exposition of bi-metallism. I will in conclusion give you an illustration of the manner in which the head apostle, M. Cernuschi, discourses upon the subject, from which you will see that the science may not be the dismal one it has hitherto been called. "Until 1874 a clear and sonorous voice was always resounding on the banks of the Seine. I am France, rich in gold, rich in silver. I can arrange that in the entire world the two metals form but one money. Peoples and nations! Bring to Paris all the gold and all the silver you like, I take it all. For a hundred weight of gold or for 15½ hundred weights of silver I will always give you the same quantity of francs. Let the production of one metal or the other be more or less abundant, more or less costly, it will be immaterial to me. I will never alter my rate of 15½. Peoples and Nations! Do you want gold? Bring silver. Do you want silver? Bring gold. As bi-metallists the French have no preference for one metal or the other; they will always make the exchange for you, if

you ask, of one metal for the other on the basis of 15½, and in the two hemispheres the relative value of the two metals will always and everywhere be the same 1 to 15½. Oh! Wonder! The relative value of gold and silver varies not; the 15½ stands firm. *Impavidum"!!* A free translation of the last word would be Dominie Sampson's exclamation,—*Pro-di-gi-ous!!* (Laughter and applause).

Mr. C. S. Carlisle, in seconding the resolution, asked the Chairman whether the Committee's attention had been drawn to the new trade marks Bill which was now before the Legislative Council at Simla. The Bill, he understood, was a sort of supplement to the Act which had been recently passed in England for the protection of trade marks, and he considered its provisions called for some notice from the Committee of the Chamber.

Mr. Reinhold said that as he had only recently arrived from England he was not in a position to make any observations on the subjects which were dealt with in the Report. However, in adopting the Report he had specially to thank the Chairman for his very able speech with reference to the review of the business matters which had engaged the attention of the Chamber during the last half year, and especially for the elucidation of the subject of the budget and the

working of the License Act. He had no doubt that the meeting had listened with great interest to the history of the bi-metallic currency as delineated by the Chairman. For his own part, he must say that he had no wish to travel over the old ground. At the same time he would take this opportunity to discharge an obligation to the Chairman and Committee of the Chamber for having kindly undertaken to get the opinions of members upon a paper submitted by himself referring to Canal steamers bills of lading. He regretted this matter had not come to a practical issue as yet. The reason of this was, as he understood, that during the cold weather the majority of merchants were too busy, and during the present weather so many were absent. He must repeat his regret that the project had not further advanced. He must, however, in the meantime observe that the opinions expressed by the various members he had found to be most valuable, and he intended placing all the papers connected with it before the annual conference, to be held shortly in London, of the association for the reform and codification of laws of nations, the council of which was composed of the most eminent jurists and commercial men of the highest standing—men who have made international, commercial, and maritime law their subject of enquiry, and in the programme put forward for

the annual conference among other matters the question of bills of lading would be considered. He had no doubt their opinion would be most valuable, and would guide them in future should the matter be referred to the Chamber.

Captain C. I. Wilkinson said that he noticed in the report that a communication had been received from the Bombay Chamber regarding the tonnage scale, and regretted very much the decision the Committee had come to, for they acknowledge the unscientific character of the Calcutta Schedules, which should have been sufficient reason for them to have consulted those interested in the matter before giving the curt reply they did.

The present scale was most unjust—speaking in the name of shipowners; the calculations, he supposed, were made on a basis of 50 feet to the ton, and therefore hides were taken at 14 cwt, jute and cotton at 5 bales not to exceed 52 feet, but as to the hides it was quite erroneous, for they seldom measured less than 60 feet, and often exceeded 70 feet to the 14 cwt; there was nothing to show what was to be considered a well-screwed bale. As to cotton and jute they had to be measured at the press, but there was no guarantee that the bales the Captain had measured were sent alongside the ship; as an

actual fact it is well known they are not; for although the cotton measured at the press did not exceed 52 feet, the bales sent alongside measured from 70 to 80 feet and jute 58 to 59 feet. Under the circumstance he considered the tariff should be revised, so that the captain and agents of the ship should know exactly the space the cargo they had engaged would occupy.

The Chairman observed, first, with reference to the question put by Mr. Carlisle that early opportunity would be taken of carefully looking into the subject to see how far it would affect them. As regarded the subject of international law raised by Mr. Reinhold that was too wide a subject for him to deal with. For himself, he must say that before he could give any opinion on the subject, he would have to undergo a training in the study of law in all its branches. However, he did not think the time was far distant when he hoped the Chamber would be able to ascertain the views of all its members, and they would be able to come to a practical solution, or rather he might say understanding, on the subject. With reference to the tonnage question mentioned by Captain Wilkinson, it had been before the Committee of the Chamber and discussed by various members connected with the shipping business. But the general opinion had been, as far as he could ascertain, that as the

matter had been fully gone into a few years back, it would be better to leave matters as they were; besides ship-owners were fully acquainted with the Calcutta tonnage schedule, and it would therefore be inconvenient to alter and re-arrange the schedule.

Mr. Reinhold would just make a few remarks with reference to the question raised by Captain Wilkinson. He did not see that the result of having a uniform tonnage schedule would be of any practical use. It was immaterial upon what basis the tonnage was calculated so long as the ship-owners understood it, and the rates were fixed accordingly, so that in reality the amount of the freight earned by a ship sailing from Bombay and a ship from Calcutta, of similar size, would be the test of the question.

After some further discussion, the following resolutions were put and carried :—

Proposed by the Chairman, and seconded by Mr. C. S. Carlisle, that the Committee's Report now submitted be received and adopted.

Proposed by Mr. J. A. Anderson, and seconded by Mr. Charles Brock, that the Committee's election of Messrs W. Bleeck, G. H. Morrison, T. F. Hamilton and R. Ewing as members of the Committee be confirmed.

Proposed by Mr. J. Horne, and seconded by Mr. J. H. Schroder, that the thanks of this meeting be awarded to the Committee for their services during the past half year.

The voting cards for the election of a Committee for the ensuing year having been examined by the scrutineers, Messrs. Noble and Brock, the following result was announced,—

George Yule, Esq.,—*President.*

The Hon'ble A. B. Inglis, *Vice-President.*

T. F. Hamilton, Esq., W. Bleeck, Esq., G. H. Morrison Esq., J. W. O'Keefe, Esq., and R. Ewing, Esq.—*Members.*

The Chairman in returning thanks on his own behalf and that of the Committee for their election for another twelve months, said that he, with the aid of the Committee, would endeavour as far as it lay in their power to protect the commercial interests of Calcutta.

The Hon'ble Mr. Inglis also thanked the meeting for the compliment which had been paid to him by his re-election.

The meeting then separated.

H. W. I. Wood,

*Secretary.*

# BENGAL CHAMBER OF COMMERCE.

## Report of the Committee for the half-year ended 30th April 1879.

THE Committee submit their Report on the principal subjects which have had their attention during the past half-year.

### BUDGET FOR 1879-80.

THE annual financial statement was published on the 13th March 1879, and the results are here recorded for convenience of reference.

Accounts 1877-78 show Revenue £58,919,301; Ordinary Expenditure £62,512,388; Excess Ordinary Expenditure £3,543,087 owing to Famine. Capital Expenditure on Productive Public Works £4,791,052. Net result almost identical with Regular Estimates.

Regular Estimates for 1878-79 show—

Revenue £64,680,000;

Ordinary Expenditure £63,380,000;

Surplus £1,300,000.

This surplus is, after paying whole charges of war for current year, estimated £670,000 and excess less by

Exchange £400,000. Capital Expenditure on Productive Public Works £4,599,000.

Budget Estimates 1879-80 show Revenue £64,562,000. Ordinary Expenditure £65,957,000. This includes £2,000,000 for war. Excess Ordinary Expenditure £1,395,000. Capital Expenditure on Productive Public Works reduced to £3,500,000. Cotton Duties on all goods containing yarn of counts not above 30*s.* remitted at estimated cost of £200,000, of which £150,000 this year. Revision of Customs Tariff values causes further loss of £42,000. War estimated to cost £2,670,000 in both years.

Exchange estimated nearly 1½*d.* worse than last year, cost of supplying net current requirements of Home Treasury exceeds what it would have been but for this fall by £1,364,362. Estimates show loss by Exchange £3,952,000 being £952,000 more than Budget estimated last year. But for fresh loss by Exchange, which has more than swept away whole of last year's new famine taxation, the estimated surplus apart from war would have been £1,969,300.

| Additions to Registered Debt— | £ |
|---|---|
| In 1877-78 ... .. | 7,345,416 |
| „ 1878-79 ... ... | 4,498,000 |
| „ 1879 80 ... ... | 3,826,500 |

But sets-off of Loans to Native States and repayments of Railway Capital reduce net increase of Debt to £6,388,606, £2,748,000, and £3,626,500; the £2,748,000 in 1878-79 includes £1,393,457 cash subscriptions to Transfer Loan 1879. Four-and-half per cent. Loan in India notified for

Five Crores of Rupees on conditions of Transfer Loan 1879 payable in five instalments, on 30th of May, June, July, and August and 13th September. Tenders to be opened on Monday, May 12th. Of this five Crores about £1,550,000 will recoup Treasury for the discharge of untransferred balance of 5½ per cent. Loan on 1st May, leaving net amount of Loan in India therefore £34,50,000. London Bills estimated at 1,895 lakhs, or an average of about 36½ lakhs weekly. No increased taxation proposed now, because change of relative value of gold and silver, which alone has disturbed satisfactory financial condition, is under consideration of Home Government upon motion of Indian Government.

Closing Balance in India £12,988,800 this year, and £12,068,500 next year.

## Ways and Means.

Excluding the book-credits from the Military Funds, the gross Deficit of Public Revenue is £5,109,000. In accordance with the change of policy described in paragraph 28, provision is made for the loan of only £200,000 (net) to Native States and Corporations, &c.; £282,500 net is expected to reach the Treasury on the Miscellaneous Debt Account, the main items of Deposits and Remittances being, as usual, estimated to be in equilibrium. Thus, provision must be made for a net sum of £5,026,500; but as £1,550,000 has to be repaid to the holders of the Five-and-a-half per cent. Loan, and provision must be made for some other repayments, the gross deficiency is £6,700,800, of which upon the estimates £1,200,000 will be provided from the Public Balances. A Notification is published to-day inviting a Loan in India of Five Crores

of the remainder. As £1,550,000 of this is needed to discharge, on the 1st May next, the untransferred portion of the Five-and-a-half per cent. Loan, the net amount thus called for is only £3,450,000.

In making this announcement the Governor-General in Council thinks it desirable to present the following brief statement of the finances of the four years, 1876-80. Excluding the Fund Credits, and including provision for the remittance of the whole current requirements of the Home Treasury, the deficit of the four years amounts to £24,863,000. Extraordinary Public Expenditure has been or is being incurred during the period as follows:—

| | |
|---|---|
| Famine, including loss of Revenue ... | 9,400,000 |
| War ... ... ... | 2,670,000 |
| Productive Public Works, Capital Expenditure ... ... | 16,699,000 |
| TOTAL ... ... ... | £28,769,000 |

Thus, if these three great disturbing causes were eliminated, there would have been a Surplus during the four years £3,906,000. In other words, the current revenue has contributed £3,906,000 towards these extraordinary objects, besides bearing all current burdens. The net addition to the Registered Debt during this period is £20,420,061, but of this sum, £2,795,731 was lent at interest to Native States, Corporations, &c., and £1,554,629 Railway Capital, was repaid. The net amount borrowed during the four years is only £16,070,000.

The difference between the deficit of the four years (£24,863,000) and the net amount borrowed

(£16,070,000) is £8,793,000, which is thus supplied—

| | £ |
|---|---|
| The Public Balances reduced by ... | 4,872,000 |
| The Secretary of State's bills outstanding increased by ... ... | *1,740,000 |
| Deposits and Remittances ... | 2,181,000 |
| | £8,793,000 |

The Government of India has repeatedly declared that an annual surplus of £2,000,000 is necessary in ordinary times to provide the means of protecting, so far as may be possible, the country against famine, and leave a margin such as every solvent State ought to maintain to meet unforeseen contingencies. It has been necessary, as has been shown, to abandon all hope of obtaining such a surplus in the coming year.

The ultimate burden caused by the war will not, it may reasonably be anticipated, prove serious, and the assistance which will, it is hoped, be given from the British Treasury removes all present anxiety on this head. The deficit caused by the war and shown in the Estimates of the coming year is therefore rather apparent than real.

The reduction in the revenues caused by the depression of trade and the diminished receipts from the Guaranteed Railways will, it cannot be doubted, be temporary only; and the Guaranteed and State Railways are certain to prove growing sources of revenue.

The loss caused by the further and great fall which has taken place in the value of silver in relation to gold, is a

* On the 1st April 1876, bills for only £12,000, were outstanding unpaid; the Secretary of State had suspended his drawings. The usual amount is about 1¾ millions.

far more real and serious cause of financial embarrassment.

The loss by Exchange on the estimated amount of the Home remittances in the coming year is £3,947,368; it would have been £4,142,000, if provision were made for remittances to cover the whole of the current Home Charges. The latter sum is more by £3,324,000 than would have been required for the remittance of the same amount in 1872-73, the last year before the long standing equilibrium between gold and silver was voilently disturbed. So far as these remittances are required to meet fixed payments, such as Interest, Pensions, and the like,—and such fixed payments constitute the bulk of the Home Charges;—it may be said that this great sum of £3.324,000 represents the yearly taxation now required in addition to what would have been necessary if the old rate of exchange had been maintained.

In the Financial Statement published at the beginning of the present year, it was shown that the Government believed that a *bonâ fide* surplus of nearly £2,000,000 of income over expenditure had been secured; and of this sum, £1,500,000 was to be annually set aside as a special provision against famine. This apparently very satisfactory result was brought about partly by administrative improvement, but mainly by the imposition of new taxation, estimated to yield eventually, about £1,100,000 a year (see para 160). The Government then hoped that it saw its way to giving to the country the most complete protection which could be devised against the terrible calamities of famine to which it is periodically exposed, It was also sanguine that many reforms were within our reach which would be in the highest degree beneficial.

Although the condition of the finances continues in other respects to be favourable, the fresh fall in the value of silver in relation to gold has, as has been shown, virtually swept away the financial improvement arrived at with so much difficulty. It may be considered that the whole of the new taxation has been swallowed up in the additional charges on account of loss by Exchange. The net amount yielded by this taxation in the present year was, as has been stated in para. 160, about £971,400, and it is estimated at £1,077,400 for 1879-80. To remit the whole of the amount required to meet the Home Charges in the coming year, it has just been shown that the sum of £1,364,362 would be required in excess of the estimate of last year. The insurance provided against future famine has virtually ceased to exist; and the difficulties in the way of fiscal and commercial and administrative reform have been greatly aggravated. Nor can we in any way assume that the evil will not continue and go on increasing.

Under such circumstances it is extremely difficult to follow any settled financial policy, for the Government cannot even approximately tell what income will be required to meet the necessary expenditure of the State.

It is hardly necessary to add that this most grave question has long been a cause of anxious deliberation to the Government of India. The Governor-General in Council has submitted his views to the Secretary of State, and they are now under the consideration of Her Majesty's Government. It would plainly be undesirable to say more on the subject until Her Majesty's Government has had time to mature its decision in regard to the measures which ought to be taken.

Although, for the present at least, the surplus which the Government hoped that it had secured has almost disappeared, the Governor-General in Council will in no degree abandon the imperative duty of making, to the utmost of his ability, provision for protecting the country against famine. He still believes that a surplus of £1,500,000 a year, in ordinary times, is necessary to cover this liability alone.

So far as the coming year is concerned, the help which it is hoped will be afforded by the British Treasury for meeting the expenses of the war, relieves the Government from financial anxiety on this account. For the present the Governor-General in Council thinks it wise to abstain from imposing any fresh burdens on the country, and to accept the temporary loss of the surplus by which it was hoped that an insurance against famine had been provided.

The propriety of the course followed by the Government last year in refusing to constitute any separate Fund in connection with the famine arrangements has thus, it may be added, been justified by the event. Foreseeing the possibility of such a contingency as that which has actually occurred, Sir John Strachey spoke in the Legislative Council on the 9th February 1878 as follows: Any other decision might, he said,

"Lead to results probably not contemplated by those who have suggested the establishment of a separate Fund; I mean that this might involve the necessity for imposing fresh taxation. Suppose, for instance, that the produce of the new taxes were by law strictly set apart from the general revenues, and paid in to a separate Fund, only to be applied to specified purposes; if then, any sudden change of circumstances arose, calling for

seriously increased expenditure, or causing a considerable falling off in the revenue, we should have to choose between the imposition of fresh taxes and the abrogation of the law constituting the Fund; for I set aside the idea of meeting ordinary charges by borrowing as a course financially inadmissible. This dilemma might arise, though the pressure was likely to be only temporary; nor can any one say that such a contingency would be at all improbable, or that it might not occur at any moment. With all my desire to see the pledges maintained that we have given, as to the application of a sum not less than £1,500,000 as an insurance against famine, I think it would be irrational, under many circumstances that I can conceive, to object to the temporary diversion of any necessary part of the revenue from this purpose, with the view of obtaining relief which might be no less urgently required than that which experience has taught us to be requisite in meeting famine. * * * Without thinking of a future far removed from us, events might, of course, happen which would make it impossible even for us who have designed these measures, to maintain our present resolution."

By order of His Excellency the Viceroy and Governor-General in Council.

R. B. CHAPMAN,
*Secretary to the Govt. of India.*

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## PROPOSED ABOLITION OF DUTIES ON COTTON GOODS.

THE policy of the Chamber has all along been to advocate the reduction or repeal of all Custom

duties, especially those of a protective character, whenever the financial condition of the country permitted steps in that direction to be taken; and accordingly, when a surplus of revenue for the last year was announced, they supported the proposal of the Government to reduce the duties on cotton goods. But it afterwards appeared that there were good grounds for believing that in place of a surplus, there was a very serious deficit in the accounts of the country. This altered the aspect of the question, and your Committee seeing from the public papers that the agitation in England for the repeal of the duties was being conducted in total disregard of the financial ability of the Government to forego the income from such a source, addressed a letter on the question to His Excellency the Viceroy, of which the following is a copy.

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*From the Bengal Chamber of Commerce, To His Excellency the Right Honorable* LORD LYTTON, G.M.S.I., *Viceroy and Governor-General of India.—Calcutta, 10th March*, 1879.

MAY IT PLEASE YOUR EXCELLENCY,—It has been represented to the Committee of the Bengal Chamber of Commerce that some important changes are to be made in respect of the duties that are at present leviable on Cotton Piece-goods and Twist, and that these changes

are to be brought about in consequence of representations made by an influential section of the people of England. The newspaper accounts of certain deputations to Her Majesty's Secretary of State for India give strong support to the alleged correctness of the representation that has been made on the subject to this Chamber; and the Committee deem it desirable in the circumstances to submit to Your Excellency, very briefly, their views upon the question.

The Committee are unanimously and strongly of opinion that duties levied for the purpose of protecting native industry—or which have that effect, whether intended or not—should form no part of the fiscal arrangements of the country; and in so far as the movement in England has for its object the repeal of duties of that description, the movement would have the cordial support of the Committee. But it is clear that the object of the movement is of a much more comprehensive character, and that it is aiming at the abolition of the duty on all Cotton Piece-goods and Twist, whether the effect of the duty be protective or not, and without regard to the ability of the Indian Exchequer to forego the revenue derived from that source.

If the financial circumstances of the State admitted of the repeal of duties upon all imports, their abolition would be welcomed by the Committee as an undoubted advantage to the commerce of the country: but if the finances are in such a position as not to admit of so complete a remission, the Committee can see no special claim that Cotton Goods and Yarns, of descriptions not manufactured in India, have for relief over other articles that are as useful

to the people and as necessary for their comfort and well-being.

It is strongly urged upon the Secretary of State that as the Cotton industry in England is depressed at the present time, its return to a state of prosperity should be encouraged by the abolition of the duty upon all descriptions of Cotton manufactures imported into India. But if the depression of a given industry in England be a sufficient reason for the abolition of duties upon such portion of the products of that industry as may be imported into India, it appears to the Committee that Woollens, Metals, and Hardware have at least an equal claim to liberal consideration; for the depression in these trades commenced at an earlier date, and has been as severe in its character.

It is further strongly urged by the promoters of the movement that their opinions should, in this matter, be paramount to those of the Executive Government in India, and should outweigh the opinions of the mercantile classes of this country, and consequently they deprecate the proposal of the Secretary of State "to appoint a Committee in Calcutta, consisting of Government officers and representatives of the mercantile community for the discussion of the points at issue."

The Committee are of opinion that the present Indian import duties, when purged of all that savours of a protective character, are really less open to objection in this country than direct taxation, and they think that any surplus revenue would be more beneficially employed in lessening the incidence of the latter than in reducing the comparatively moderate import duties now levied.

The Committee believe, for instance, that the limit of incomes affected by the license tax, imposed last year, might with advantage be raised if the public revenue can admit of such a concession.

Looking to the discontent which is occasioned in this country by all direct taxes and the oppression which unfortunately attends their collection, the Committee think that, on grounds of public expediency, Government should hesitate before relinquishing any source of revenue of a comparatively unobjectionable kind, if its place has to be supplied by the imposition of additional direct taxation.

It has hitherto been proclaimed by the Home Government that taxation in India would be levied, and that the administration of the country would be conducted, not in the interests of England—far less a section of it—but in the interests of India itself. It will be a source of mortification and disappointment if it be now shown that the opinions and wants of sections of the people of England have more influence in determining the character of the financial legislation of India than the interests and expressed wishes of the people under the government of Your Excellency.

We have the honor to be,
My Lord,
Your Excellency's obedient servants,
(Sd.) GEORGE YULE,
*President of the Chamber.*
A. B. INGLIS,
*Vice-President.*

*To the President of the Bengal Chamber of Commerce.—Calcutta, 13th March, 1879.*

SIR,—I am desired by His Excellency the Viceroy and Governor-General to acknowledge the receipt of the memorial on the subject of the cotton duties, presented to him by the Bengal Chamber of Commerce on the 10th instant.

2. His Excellency desires me, on his behalf, to thank the Chamber for this valuable expression of its views on an important question, and to say that the principles by which the Chamber desires that the commercial legislation of India should be guided, seem to him to differ in no respect from those which the Government of India has declared its intention to carry out.

3. The Financial Statement for 1879-80, which will be published this day, will show so fully to the Chamber the measures in regard to the duties on cotton goods which the Government has adopted, and explain so fully the reasons by which those measures are held to be justified, that His Excellency has no doubt that the Chamber will agree with him in thinking it unnecessary for him now to enter again on the subject at any length. There are, however, some points in the memorial which he desires to notice.

4. You state that "the Committee are unanimously and strongly of opinion that duties levied for the purpose of protecting native industry, or which have that effect, whether intended or not, should form no part of the fiscal arrangements of the country; and in so far as the

movement in England has for its object the repeal of duties of that description, the movement would have the cordial support of the Committee." His Excellency has received this decided statement of opinion with much satisfaction, although he had never doubted what the opinion on such a subject of a body like the Bengal Chamber of Commerce would be. The necessity for the measure, which has been actually adopted by the Government of India, *viz.*, the exemption from duty of all cotton goods made of yarns of 30*s.* and under, has been entirely based on the recognition of the principle which the Chamber has laid down. It has, in His Excellency's opinion, been indisputably proved that the duties on the class of goods now about to be exempted from taxation are protective and injurious in their effect, and that their retention is not therefore justifiable.

5. The opinion expressed by the Chamber that it would not be right in the present state of the Indian finances to abolish the duty on all cotton goods, whether the effect of the duty be protective or not, is also, as the Chamber will observe, in accordance with the decision of the Government of India. On those classes of goods in regard to which no competition now exists between the English and Indian mills, the duty remains unaltered.

6. His Excellency the Viceroy entirely agrees with the opinion with which the memorial of the Chamber concludes, that taxation in India ought to be levied, and the administration of the country conducted, with a view to the interests of India alone. The Chamber will see that the Financial Statement for the coming year contains an emphatic declaration to this effect, and His Excellency

trusts that the action of the Government of India will, at all times, be thus regulated.

I am, &c.

G. POMEROY COLLEY, *Colonel.*,
*Private Secy. to the Viceroy.*

## CUSTOMS: IMPORT DUTIES ON BRITISH COTTON PIECE GOODS.

Members have already been advised, in previous Reports, of the Committee's action with regard to the free importation of certain descriptions of British cotton manufactures. Under a Resolution of the Government of India of March 1878, the coarse qualities of goods made of 30*s*. yarn, and which were subject to competition from Indian mills and looms, were declared to be free from duty, but strong objections were raised to the partial character of that measure, inasmuch as there was but a nominal difference between goods which had been exempted and goods which were still held liable to duty: and the Committee, in their letter of 17th April of last year, urged the desirability of amending the Notification so as to include all cloths, of whatever denomination, made of yarn not finer than 30*s*.

It is satisfactory to record that the Government have at length expressed their concurrence in the view which your Committee took of this most important point, and the following extract from the Financial Statement, published on the 13th March last, will be read with interest.

190. "The Governor General in Council considers that "the facts reported by the Commission, and those which "have now been stated, show conclusively that adherence "to the tentative measures of last year is not possible. It "is not reasonable that certain goods should be admitted "free, while large quantities of goods, of almost precisely "the same character in every thing but name, remain lia- "ble to duty. No measure falling short of the exemp- "tion from duty of all cotton goods containing no yarn "finer than 30s. can be defended, and this measure can no "longer be delayed. Its adoption will, for the present at "least, remove the directly protective character of these "duties."

## CUSTOMS: REVISION OF TARIFF VALUATIONS.

The Committee are glad to report that their suggestion, that the tariff valuations for import duty should be revised at shorter intervals than has been the practice hitherto, has received the attention of Government, with the result as announced in the Financial Statement of March last, as follows :—

"203. There has been no general revision of the present "Tariff Valuations since August 1875, and it has been "urged upon the Government by the Chambers of Com- "merce and others, that in many instances these valuations "are much above the current market rates, a statement "which receives remarkable confirmation from the prices "quoted in Table IV of Appendix B. The facts are, in "short, indisputable, and it is obviously incumbent on the "Government to correct errors of this kind, the practical

"effect of which is to increase the customs duties beyond "the amounts authorised by law.

"204. The Governor General in Council has, accordingly, resolved to sanction at once the valuations recommended by the Commission, and they will come into effect "from the 1st April next. A Notification, carrying out "this decision, has now been published."

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As the Committee believe that members will find it extremely useful and convenient to have at hand the views of the Government of India on the question of a gradual reform of the Customs Tariff, they have here recorded them *in extenso*, together with the Report of a Special Commission appointed to enquire into the operation of the Indian Tariff Act of 1875.

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*Extract from Financial Statement for* 1879-80.
*Gazette of India Extraordinary, March* 13, 1879.

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## EXEMPTION FROM IMPORT DUTY OF ALL COTTON GOODS CONTAINING NO YARN OF A HIGHER NUMBER THAN 30*s*.

171. In the Financial Statement for last year, the Government of India announced its intention of undertaking, conformably to the desire of Her Majesty's Secretary of State, a gradual reform of the Customs Tariff. The principles on which this reform could be carried out were distinctly enunciated with regard both to the Tariff generally, and to the question in particular of the aboli-

tion of the duties on the importation of cotton goods and yarns into India.

172. As a measure of general relief, the duties were removed on Railway Materials, and on a very large number of articles, comprised under 26 major heads of the Tariff, which yielded insignificant contributions to the Customs Revenue.

173. Respecting the Cotton Duties, the first step taken was to abolish the duty on Foreign Raw Cotton imported into India. This duty was imposed in 1875, with the view of placing Indian and English manufacturers on the same footing in regard to the finer classes of goods; but it was held by Her Majesty's Government to be objectionable in principle, and it proved, as was foreseen at the time, almost entirely unproductive.

174. In further conformity with the views of the House of Commons, and the instructions of Her Majesty's Secretary of State, the Government of India determined to commence with the removal from the Tariff of the coarser qualities of cotton goods, which are subject to competition from the Indian mills and looms, and upon which the present duties are consequently in fact, as well as in principle, protective. The protection actually afforded was seen to be both indirect and direct. It was indirect through displacement of finer imported goods by the coarser and cheaper locally-made articles; it was direct, by the freedom of the latter from the taxation borne by imported goods of a similar class. With indirect protection, it was then felt to be impossible to deal.

175. The real test of direct protection or the reverse was decided to be "the quality or fineness of the yarn of

which the goods consist." Yarn designated 30*s* being known to be the very finest ordinarily made in India, or used for making cloth in the Indian miils, that count was adopted as the limit for exemption from duty with the view of removing direct protection. As, however, the count of yarn in the composition of cloths is never declared by importers at the Custom House or elsewhere, and as the extent to which a simple limit of 30*s* might admit shirtings, long cloths and other textures forming the bulk of the grey goods imported, was unknown, the necessary avoidance of financial risks required, as a further condition, that the goods freed from duty should be of certain specified and well-known descriptions, with which the successful competition of Indian manufacturers could be safely asserted. The limit of exemption for grey yarns was fixed at 32*s* for mule twist, and 20*s* for water twist.

176. To this measure, which took effect on the 18th of March 1878, the Government of India was not surprised to learn that strong objections had been raised. It only purported to be a safe commencement in a desired direction ; and its scope was unavoidably limited, not only by financial considerations, but by the absence of comprehensive designations for the goods entitled to relief.

177. With the view of ascertaining the exact nature and bearing of the objections raised from without, and the feasibility of making a further advance on the line of policy definitively adopted, the Government of India, early in February last, nominated the Honorable T. C. Hope, and Mr. J. D. Maclean, Collector of Customs at Calcutta, as a Commission to inquire into the matter, consulting freely the members of the mercantile community. The

instructions issued to the Commission, and the report it has submitted, are published in an Appendix (A) to the present Resolution.

178. The Commission reports that the Notification of March 18th, 1878, was "sufficient and suitable for the objects the Government had in view, and that it has worked, within the limits it was intended to work in, without much trouble or complaint." But the Commissioners find that the real cause of complaints regarding piece-goods lies in "the fact that there is little essential difference between the cloths which have been exempted and large classes of cloth, otherwise styled, which have not;" and they state that—

"the only effective remedy obviously is to treat similarly, whether by exemption or taxation, all cloths of the same texture, irrespective of the lengths and widths in which they happen to be made up, or the names by which people may choose to call them. This course is that which is, more or less explicitly, asked for by the Chambers of Commerce of Bengal and Manchester, as well as by four mercantile firms in Calcutta, four in Madras, and four in Bombay, who have been consulted, and is approved by the Bengal Board of Revenue and the Customs Collector and Government of Madras. On the other hand, it is opposed at Madras by the Board of Revenue and one firm, and by the Chamber of Commerce, a copy of whose letter is appended. The Bombay Chamber of Commerce, and the Governments of Bengal and Bombay, have expressed no opinion."

179. With reference to the last sentence of this quotation, it must be added that, since it was written by the

Commission, the Bombay Chamber of Commerce, at a general meeting held on the 4th instant, passed the following Resolution :—

"That the Government of India be urged to exempt from Customs duty all cotton goods of every size and denomination, if made of yarn of No. 30s and under."

180. The question immediately arising from the conclusion of the Commission which has just been quoted is, what texture of cloth, or in other words, "what number of yarn should be made the limit of exemption?" After careful consideration of all available evidence, including recent special enquiries, the Commissioners hold that the limit of 30s, established last year, should be adhered to. They think there are—

"good grounds for believing that, except in a small number of isolated instances, the limit of 30s fixed by the Notification goes rather beyond what is necessary for abolishing existing direct protection. The small margin thus left is, however, useful in many ways, by leaving room for errors of estimate, by covering isolated higher manufacture, by allowing a greater difference between warp and weft, by minimising disputes, and by promising greater permanence for the limit than could otherwise be expected. A limit of 26s might cover the bulk of the manufacture for a time, but it could not be long maintained, while much outcry would be caused by a reduction from the existing limit of 30s, which seems to have been generally approved."

181. The indirect protection, on the other hand, they find not sufficiently palpable to call for an immediate remedy. It is, in their opinion, removable only "by an

exemption going far beyond the present limits of actual local manufacture, and involving a sacrifice of revenue not absolutely necessary."

182. Upon grounds virtually similar, the Commission advocates the maintenance of the limit of 32*s* mule and 20*s* water adopted for grey yarns in the Notification of March 18th, 1878. Relying upon the well ascertained facts that the Indian mills rarely make yarns even as fine as these numbers, that Indian cotton is sent to England to be spun into fine yarn for re-export back to India, and that the importations of fine yarn show no symptoms of decline, the Commissioners see no sufficient grounds for acceding, at a cost of about £35,000 per annum, to the proposal, which has been put forward, for exempting all yarns up to 36*s* water and 42*s* mule.

183. The report of the Commission brings to light some important facts establishing the need for early action to relieve those imported goods which are exposed to local competition. In 1875, the Tariff Committee estimated at £40,000 the duty paid on imported coarse goods competing with local manufactures. The Commission now put the loss by exempting such goods at £20,000 in an ordinary year; in the year just expiring it will probably, not exceed £13,000. In other words, one-half, or more of this branch of the import trade existing in 1875, has disappeared. This decline further corrobrates the statistics quoted by the Secretary of State, in paragraph 23 of his despatch, dated 31st May 1876, from a letter of the Bombay Chamber of Commerce, showing the falling off in the imports of coarse goods in the years 1872 to 1874 compared with 1858 to 1860; and it gives additional

weight to the conclusions drawn by him from the facts before him.

"Comparing," he said, "the average per year of 1858, 1859 and 1860, the three years immediately preceding the American War, with the average per year of the last three years, 1872, 1873 and 1874, we find the following decrease in each of these descriptions of cloth and yarns, *viz.*—

| | |
|---|---|
| T. cloths ... ... ... | 381,111 pieces. |
| Long cloths . ... ... | 275,261 „ |
| Domestics .. ... ... | 170,699 „ |
| Mule twist, above 20*s.* and under 30*s.* | 528,418 lbs. |
| Mule twist, 20*s.* and under ... | 447,916 „ |
| Water twist, 20*s.* and under ... | 1,126,739 „ |

These figures conclusively show that so far as the import trade of Bombay is concerned, a serious decline has taken place in this branch of trade during the period in question, but their significance is increased by the considerations urged in the following extracts from the letter of the Chamber :—

"It should be remembered that this absolute decrease has occurred, after a lapse of 14 years of profound peace and security, in cloth and yarns principally consumed by the poorer classes, whose condition, it is well known, has immensely improved from a variety of circumstances, and during which period railway communication throughout the country was yearly extending. In 1860, 836 miles of railway only were open in British India; in 1873, the number of miles of railway open had increased to 5,872. The progress of education, closer and more frequent contact with more advanced communities, and the wealth accumu-

lated by the cotton cultivators throughout the Presidency during the American war and for several years subsequently, when the prices obtained showed enormous profits on the cost of production, combined to increase the demand for cloths and yarns of these descriptions to an extent far exceeding the demand which would have arisen at the ordinary rate of progress in ordinary years.

"The Chamber apprehend that, under the circumstances, a very great increase indeed in the present imports of low cloths and yarns over the imports of the years immediately preceding the American war would be necessary to show that the import duty has not been operating as a protective duty, unless experience proves, after the abolition of the import duty, that local mills are able to compete successfully on equal terms with the English manufactures. As it is, it may be fairly assumed, however, that the duty is maintained at the expense of the consumers, principally the poorer classes, against whom it tells in this instance with particular hardship in a prime necessary, such as clothing, and that it is injurious to the thousands of village handloom weavers throughout the country, who are prevented from using the English yarns, which they might prefer, and are compelled to pay a higher price for what they do use, in consequence of its operation."

184. The causes of this falling off in the imports of the coarser goods, and the effect attributable to the import duty have been differently appreciated by different authorities; but, although there has been a large increase in the importations of goods of finer quality, the fact is indisputable, that a branch of the trade which was once important has now become insignificant.

185. On the other hand, the Bombay mills have during the last four years, not only increased their exports of yarn and piece-goods to Foreign Countries by 26 per cent. and 51 per cent. respectively, but have more than doubled their exports to other parts of India. It is shown in para. 25 of the report of the Commission, that the total value of these exports, which was £432,000 in 1875-76, had risen to £945,000 in 1877-78.

186. At the same time, the prosperity of the Indian mills has not been unchequered. Last month, the Members of the Millowners' Association at Bombay resolved to close their mills for two days in the week, from 15th February to 15th April 1879, on the ground that the markets were overloaded with their manufactures. The quotation given below from the speech of the Hon'ble Morarjee Goculdas, who moved the resolution to the above effect, explains the circumstances of the case.*

* The Hon'ble Morarjee Goculdas said: When at the beginning of last year we met to consider the advisability of adopting a resolution similar to that which I am now going to propose formally, I strongly urged the necessity of working our mills on short time, on account of the glut in the yarn and cloth markets. On that occasion I shewed, with detailed facts and figures, how we were working at a disadvantage, compared with Manchester. It is not necessary for me to repeat the same here, but as you may remember, it was then pointed out that the depressed state of trade and the interest of the mills demanded a diminished production, and that if we continued to work at the usual rate, the evils of over-production would soon make themselves felt and end disastrously to the cause of the local mill industry. Unfortunately, although the proposition to put the mills on shorter hours was adopted by the larger part of the Members of this Association present at the meeting held in January 1878, yet it failed to enlist the sympathy of all those whom it concerned, and could not therefore be carried out to the desirable extent. Several mills did adopt the short-hour system, in accordance with the proposition passed at our meeting last year: but unwillingness was shewn in the case of others, and so the movement practically fell through after some time. This want of hearty co-operation on the part of the representatives of all the mills naturally led to over-production, and the supply in the local market soon exceeded the demand. Hence the yarn and cloth which found no sale here were conveyed in large quantities to up-country stations, where also the market has been overloaded, and we have now a good deal of stock to be yet moved off. The causes of this sad state of things are obvious; it has

187. The Government of India naturally view with much satisfaction the great expansion of local industry which has thus taken place, and the salutary outlets for capital and labour which it affords, and does not

been brought about by circumstances both within and without our reach. The famine, as everybody knows, has told heavily on the consumption of our stock and lessened the demand for cloths in this country. But while the demand has been since these three years diminishing, the supply has, on the other hand, very much increased. There has been a sudden growth of spinning, weaving and manufacturing industry amongst us, and what it ought to have taken about twenty years to bring the present large number of mills into existence, has been brought about in the short space of two or three years. It is not surprising that owing to this sudden increase in the number of our mills some of them should have to work at a loss. The natural consequence of this has been over-production, the evils of which we have failed to prevent in time by proper precautionary measures. The present depression of trade is, of course, not confined to this country; but is general throughout England and other countries on the European Continent, where competition and over-production have blighted the prospects of mill industry to a great extent. But the millowners of all those places have not remained quiet, but have taken and are taking steps to check the evil, and every English mail brings us reports of the adoption of the short-hour system and the reduction of wages in many countries of Europe. While such is the case, all our endeavours to guard our own interests have hitherto failed, and what has been the result of this inactivity? We hear of some mills working at a loss, and as you know, nearly one-third of the local mill industry has, in the space of a few months, actually failed. Eight mills have already been put into liquidation, and two or three more are expected to go very soon. And if we go on overloading the market in the face of these discouraging circumstances, there is no doubt that we shall be simply ruining our prospects altogether. It is high time, therefore, that we should move at once in the matter and adopt such measures as would prevent the present evils of over-production from being aggravated by their continuance. * * My opinion in fact is that we should all co-operate now more than ever in averting the evils by which our mill industry is threatened through different causes. I have briefly indicated the points in which that co-operation ought to be directed, and I hope they will meet with the unanimous approval of the Members of this Association. But we must make a beginning in the matter, and the best way to do it is by lessening our present rate of production. Seeing that local and the up-country market has all been overloaded; seeing also that England and other countries of Europe are adopting the short-time system, and taking every precautionary measures against the depression from which their mill industry suffers; and seeing also that our own condition is in no way better, but even worse, as you may see from the recent failures amongst us. I believe it is a duty we owe to ourselves and the shareholders of our mills, that we should unanimously carry out the proposal to put our mills on the short-time system of working for the present at least. I say unanimously, because it must be evident to all that without unanimity nothing can be done. If we shew that individual Companies do not pay

doubt that the depression complained of will be temporary only. But such facts as those which have been stated shew very plainly the duty incumbent on the Government of taking care that the great increase attained in the manufacture of cotton goods by the Indian mills is not fostered by defiance of the fundamental principles of British commercial policy, or by improper restrictions on other classes of Her Majesty's subjects.*

188. The Commission has considered, but only to reject them, three remedies alternative to that which, apart from financial considerations, it recommends. It is evident that to give a general exemption of all grey

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respect to the opinion of a large majority, we shall be simply lowering this body in the eyes of the public, and there would be little use in continuing an Association for the purpose professedly of watching our interests. I therefore entreat you, gentlemen, to think over all this, and trust you will see necessity of giving a practical effect to the resolution, which I now beg to propose:—"That, with the view of checking the great accumulation of stock during the present period of depression, the Members of the Association do agree to close their respective mills every Saturday and Sunday, from 15th February to 15th April 1879."

* The following passage is quoted from a letter addressed on the 6th July 1877, by Mr. Raynsford Jackson to the Marquis of Salisbury; it deserves consideration in connection with the statements made in regard of the over-supply by the India mills of the demand for the coarser qualities of goods:—"These facts may be accepted as proving that there is a real competition between the productions of the English and Indian mills for the supply of coarse goods to India.

As regards the medium class of goods which compose nearly two-thirds of our Indian exports, I admit that the Indian mills are not at present making them extensively, the reason being that they are fully employed in manufacturing the coarser fabrics, on which the transit charges and the duty tell the most heavily in favour of the native manufacturer and against the importer. Their power to make these goods out of indigenous cotton, has however, been proved, and samples, so made, have been exhibited in England.

The English manufacturers, moreover, produced the medium, or shirting class of goods out of Indian cotton without admixture of other growths, during the American war; and I have no hesitation in saying that when the factory industry of India has so extended, as to over-supply the demand for coarse fabrics, the native manufacturer will supplant the British in the supply of the Indian markets with the finer goods.

It is not unimportant that the same opinion has recently been given by an Indian manufacturer interested in more than one Indian mill.

cloths of a certain texture, but to lower the limit to yarns No. 26, would be a retrograde and imperfect measure, by no means inexpensive, yet satisfying no one, and multiplying disputes. To add "chudders" and "dhoties" made of yarn, not exceeding 26*s*, to the specified classes exempted under the Notification, would be an amendment in harmony with the original intention of the Government, but would give no real relief. To cancel the exemption already granted, and to make from year to year a small additional remission of the general rate of duty, is open, as the Commission points out, to the objection that it gives relief to those who are not in immediate need of it, while withholding it from those who are.

189. The general result therefore of the enquiry which has been held is that, on the one hand, the desirability of extending relief at the earliest practicable date to the suffering branches of the import trade in cotton goods is amply demonstrated. On the other hand, it is equally clear that an amount of relief sufficient, for a time at least, to remove the more urgent and immediate causes of complaint, could be afforded at an annual cost, the estimate of which is admittedly of a vague description, but which ranges from £150,000 to upwards of £200,000. It may safely be assumed that it will not, for the present, exceed the smaller sum.

190. The Governor-General in Council considers that the facts reported by the Commission and those which have now been stated show conclusively, that adherence to the tentative measures of last year is not possible. It is not reasonable that certain goods should be admitted free, while large quantities of goods of almost precisely the same character in everything but name, remain liable to

duty. No measure falling short of the exemption from duty of all cotton goods containing no yarn finer than 30s can be defended, and this measure can no longer be delayed. Its adoption will, for the present at least, remove the directly protective character of these duties. It will be in accordance with the views of the Special Commission; with those stated by the Bengal Chamber of Commerce, in their letter to the Government of India, dated the 17th April 1878;* and with the recommendations of the Manchester Chamber of Commerce made on the 27th March 1878,† and of the Bombay Chamber of Commerce made on the 4th instant.‡ For the reasons stated by the Commission, the Governor-General in Council does not think is necessary at present to make any change in regard to the duty on yarns. A Notification has accordingly now been published exempting from import duty all cotton goods containing no yarn of a higher number than 30s.

* See Appendix A, page 77.

† See Appendix A, page 77.

‡ See para. 179 of this Resolution.

191. There will still remain, as the Commission has pointed out in paragraph 18 of its Report, "the indirect protection alluded to in last year's Financial Statement, which enables the Indian-made coarse goods to displace, by their cheapness or other qualities, finer cloths imported." The facts stated by the Commission show distinctly that this indirect protection cannot be overlooked; but they show, at the same time, the great difficulty of dealing with it by any measure short of the abolition of the duty on all kinds of grey piece-goods. Financial considerations render it impossible for the Government of India to deal with this part of the question at the

present time. By abolishing the import duty on all goods in respect of which there is any actual competition between English and Indian mills, and thus removing the directly protective character of the duty, the Governor-General in Council has done all that is now practicable.

192. Although the amount of revenue surrendered in the coming year by the measure thus announced is not likely to exceed £150,000, the Governor-General in Council does not underrate the importance of the step, taken as it will be when no surplus of revenue over expenditure is expected; when the estimates show a deficit; and when the arrangements by which it was hoped that protection against famine would, so far as was possible, be secured for the country, have for the time failed to produce the desired effect.

193. The pledges given from time to time in regard to the gradual removal of the duties on cotton goods, have always been made subject to the condition that their fulfilment must depend on the position of Indian finances. It certainly cannot now be asserted, in the face of the great and increasing loss occasioned by the fall in the value of silver in relation to gold, that the financial condition of India is satisfactory; although every branch of the public revenue is prosperous, and, with the exception which has been mentioned, no fresh causes for financial anxiety are apparent.

194. In saying this, the Governor-General in Council is not unmindful of the fact that India is still engaged in the prosecution of war. He cannot, however, recognise in this fact any reason whatever for the postponement of a necessary fiscal reform. The consideration of Her

Majesty's Government will, he trusts, enable India not indeed to throw off her just liability for the charges of a necessary war undertaken for the protection of her own interests, but to meet those charges in a way which will throw no serious burden on her resources.

195. The real question which the Governor-General in Council has had to consider is this:—Ought the Government to look upon the fresh financial difficulties arising from the fall in the exchange as a sufficient reason for refusing to sanction any further remission in the duty on cotton-goods? And this question, His Excellency in Council considered, must be answered in the negative. The injury and loss which these duties are causing both to the English producer and to the Indian consumer, and to the true interests of Indian commerce and manufactures, are certain. Measures which, for the present at least, will almost completely remove the protective, and therefore the most objectionable feature in these duties, can be taken without surrendering any very considerable amount of revenue. The difficulties caused by the increased loss by exchange are great, but they will not practically be aggravated to an appreciable extent by the loss of £200,000. If the fresh fall in the exchange should prove to be temporary, such a loss will possess slight importance. If, on the other hand, the loss by exchange does not diminish, and no other remedies can be applied, it will become necessary to take measures of a more serious nature for the improvement of the financial position; but the retention of the import duties on cotton goods will not thereby be rendered possible. On the contrary, such retention will become more difficult than ever.

196. The principles by which the action of the Government of India is guided in regard to the commercial taxation of India were explained in the Financial Statement for 1878-79, and it is desirable that they should now be repeated :—

"The principles on which the Customs legislation of the United Kingdom has been based are now admitted axioms by all who recognise the theoretic advantages of free trade. They must be regarded as a part of the national policy which Great Britain has finally adopted, and which the Secretary of State for India, with the deliberate approval of the House of Commons, has required the Government of India in this country to carry out.

These principles are, as regards imports ;—

(1) that no duty should exist which affords protection to native industry, and, as a corollary, that no duty should be applied to any article which can be produced at home, without an equivalent duty of excise on the home production ; also, that no duty should be levied except for purely fiscal purposes ;

(2) that, as far as possible, the raw materials of industry and articles contributing to production should be exempt from customs taxation ;

(3) that duties should be applied only to articles which yield a revenue of sufficient importance to justify the interference with trade involved by the machinery of collection.

As regards exports ;—that duties should be levied on those commodities only in which the exporting country has practically a monopoly of production.

These principles are of general application, but in the case of India they possess a peculiar significance. India is a country of unbounded material resources, but her people are a poor people. Its characteristics are great power of production, but almost total absence of accumulated capital. On this account alone the prosperity of the country essentially depends on its being able to secure a large and favourable outlet for its surplus produce. But there is a special feature in the economic conditions of India which renders this a matter of yet more pressing, and even of vital, importance,—this is the fact that her connection with England, and the financial results of that connection, compel her to send to Europe every year about 20 millions sterling worth of her products without receiving in return any direct commercial equivalent. It is this excess of exports over imports which, in the language of the economists, is described as tribute. It is really the return for the foreign capital, in its broadest sense, which is invested in India, including under capital not only money but all advantages which have to be paid for, such as the intelligence, strength, and energy, on which good administration and commercial prosperity depend. From these causes the trade of India is in an abnormal position, preventing her receiving, in the shape of imported merchandise and treasure, the full commercial benefit which otherwise would spring from her vast material resources.

The comparatively undeveloped condition of the trade of India may be illustrated by the following figures. The value of the imports and exports taken together per head of the population is in the United Kingdom about £20. In British India it is about 10 shillings.

The Custom revenue on the few articles now retained in the Import Tariff of the United Kingdom is about 12 shillings per head, while that of India, on all the articles of its lengthy Tariff, is about 3 pence, shewing that small as is the proportion of the foreign trade of India to that of England, the proportion of Customs revenue derived from it is smaller still.

Here then is a country which, both from its poverty, the primitive and monotonous condition of its industrial life, and the peculiar character of its political condition, seems to require from its Government, before all things, the most economical treatment of its resources, and, therefore, the greatest possible freedom in its foreign exchanges."

197. Not only are these principles totally inconsistent with the permanent maintenance of protective duties, but, as has just been observed, they add to the difficulty of defending even the temporary maintenance of such duties, in the face of the profound disturbance caused by the change in the relative value of gold and silver.

198. It has been urged by some high authorities that, in its effect upon the import trade of India, a fall in exchange is almost equivalent to an import duty of corresponding amount; and that, while the direct effect of the low exchange is to stimulate the export trade, an opposite influence is produced on imports. Other high authorities dispute the accuracy of this view, and the Government of India does not now desire to discuss this part of the subject. If, however, there be one fact in connection with these most difficult questions regarding which there can be no possibility of doubt, it appears to the Governor-General in Council to be this :—The effects

which a great fall in the exchange value of the rupee must produce on the trade of India; on the prosperity of the people; on the means at the disposal of the Government for meeting its obligations; on the necessity which may arise of imposing fresh taxation to meet the increased liabilities of the State;—all these are questions which will be variously appreciated; but one thing at least is certain; under abnormal economic conditions such as those now existing, everything which interferes with the natural operations of trade, everything which imposes artificial restrictions, or gives artificial advantages, cannot fail to be mischievous.

199. It is of course true that such questions as these cannot wisely be settled on economic grounds alone; but, in the present case, the Governor-General in Council is satisfied that the political are fully as weighty as the economic reasons for the removal of the duties now under consideration. As observed by the Secretary of State these duties place "two manufacturing communities, upon whose well-being the prosperity of the Empire largely depends, in a position not only of competition but of political hostility to each other. * * The impost is too much at variance with the declared policy of this country to be permanently upheld; but if the task of dealing with it be long postponed, it will be the subject of controversy between interests far more powerful and embittered than those that are contending over it at the present time." "I will not dwell again at length," the Secretary of State wrote in another despatch, "upon the political reasons which furnish, in my judgment, the weightiest arguments in favour of the course which I have urged upon your Excellency's

Government. I need hardly insist further upon the danger of keeping open between two great communities of Her Majesty's subjects an irritating controversy which can be closed by one, and only one, solution. It is difficult to overstate the evil of permitting an industry so large as the cotton manufacture in India is certain to become, to grow up under the influence of a system which a wide experience has proved to be unsound, and which is opposed to the deliberate policy of England, nor can I view without serious apprehension, unless it should be the result of natural causes, the gradual contraction of a trade which constitutes one of the strongest bands of material union between England and India."

200. In thus ascribing great weight to the political reasons for the removal of these duties, the Government of India desires that its motive may not be misunderstood. It is not, for the sake of averting an embittered controversy, yielding anything which it would otherwise be unwilling to concede. The impossibility of maintaining protective duties is indisputable and obvious. Such duties must, sooner or later, inevitably be removed wherever they are to be found. The existing duties on a great variety of articles comprised in the Indian Tariff are, as was shown in the Financial Statement for last year, undoubtedly protective; and they are constantly becoming more so, as the industrial and manufacturing resources of India develop. But the removal of protective duties must necessarily be a work of time, dependent on the state of the finances and on the expedients which can be devised for replacing the revenue lost. The Government of India deems it right to begin by a single measure of relief which will at once and directly reach

one great and important branch of manufacturing industry, rather than by spreading its exemptions over a large area in which their effect, though not lost, might be ill-defined and uncertain.

201. The measure now announced has been adopted in the sincere belief that it is required by the true interests of the people of India. The late Viceroy, the Earl of Northbrook, declared that "in all financial questions those interests are the only considerations which the Government of India has to regard." The Governor-General in Council unreservedly repeats that declaration. This measure will be a serious step towards the fulfilment of the pledges repeatedly given by the Secretary of State and by the Government of India—pledges which received the strongest possible confirmation from the Resolution adopted by the House of Commons, on the 11th July 1877, without a division:—

"That in the opinion of this House, the duties now levied upon cotton manufactures imported into India, being protective in their nature, are contrary to sound commercial policy, and ought to be repealed without delay so soon as the financial condition of India will admit."

202. The Tariff Commission has also completed its enquiries regarding revised valuations and the other matters which, as shown by the instructions published in Appendix A, have been referred to it; and on the result of these further enquiries the Commission has submitted a second report which, with one exception, there has not been time to consider in detail.

203. There has been no general revision of the present Tariff valuations since August 1875, and it has

been urged upon the Government by the Chambers of Commerce and others, that in many instances these valuations are much above the current market rates, a statement which receives remarkable confirmation from the prices quoted in Table IV of Appendix B. The facts are, in short, indisputable, and it is obviously incumbent on the Government to correct errors of this kind, the practical effect of which is to increase the customs duties beyond the amounts authorised by law.

204. The Governor-General in Council has, accordingly, resolved to sanction at once the valuations recommended by the Commission, and they will come into effect from the 1st April next. A notification carrying out this decision has now been published.

205. The net decrease of duty consequent on this measure has been estimated by the Commission at £54,424, of which £42,926 is on account of cotton goods. The exemption from duty of grey goods made of yarn of 30*s* and under, will reduce the total loss from the revised Tariff valuations by £11,500, and the actual net estimated loss will be £42,000. In accordance with the advice of the Commission and of the Calcutta and Bombay Chambers of Commerce, it is the intention of the Government that the Tariff valuations should in future be revised annually.

## APPOINTMENT OF A COMMISSION TO ENQUIRE INTO CERTAIN QUESTIONS AFFECTING THE CUSTOMS TARIFF, AND THEIR REPORT.

*From the Secretary to the Government of India*, DEPT. REVE. AGRI. AND COMMERCE, *to the* HONOURABLE T. C. HOPE, C.S.I., *and* J. D. MACLEAN, ESQ.—No. 29, *dated Calcutta, 7th February* 1879.

I AM directed to inform you that the Governor-General in Council has been pleased to appoint you to consider and to submit a joint report on certain matters connected with the operation of the Indian Tariff Act, 1875. These matters are stated in the following paragraphs, and I am to request that your report thereon may be submitted as speedily as possible, so as to admit of its due consideration and the introduction of such changes as may be decided upon with effect from the 1st of April next.

2. By the Notification of this Department, dated the 18th March last, No. 43, certain descriptions of cotton yarn and piece-goods, being of the kind largely spun and woven in the Indian mills, were exempted from duty on import into India. Various representations have been made since the issue of the Notification by private firms, by the Calcutta Chamber of Commerce, and by the Manchester Chamber of Commerce through Her Majesty's Secretary of State, pointing out that the terms of the Notification should be altered and the limits of exemption enlarged. Detailed enquiries have been made into the matter by the Government of India in communication with the Governments of Madras, Bombay, and Bengal, and the result of these enquiries would seem to indicate that some amendment of the Notification, so far as

concerns piece-goods, may be desirable, if a satisfactory amendment can be made without entailing upon the revenues a loss which, in the present financial condition of the State, they are not able to bear.

3. The exemptions made by the Notification were avowedly arbitrary in their nature and were designed to afford a certain amount of relief to importers on a basis that was sufficiently definite to be maintained in practice without much trouble or complaint. The enquiries that have been made would seem to shew that this expectation has substantially been realised and that the complaints have been few. At the same time, it is no doubt true that some extension of the original definition might be permitted, which would fulfil more completely the intention of exempting from duty all goods of the class produced or capable of being produced in the Indian mills, without causing a loss of revenue that could not be afforded. I am to request accordingly that you will enquire and report, consulting on this point members of the mercantile community, how the definition of the class of cotton manufactures to be admitted free of duty might be improved, without narrowing its operation, and how any extension (within the limits before described) could best be conceded without an undue sacrifice of revenue.

4 It has also been found that the same Notification requires alteration under other heads than that relating to cotton piece-goods. The terms of the Notification provide that the articles therein named shall be exempted "from all import duties to which they are liable under the numbers" in which they are entered in Schedule A of the Tariff Act of 1875. In other words, if the articles mentioned can be held liable to duty under other heads of the

Tariff Schedule, they shall be taxed. This provision has given rise to much doubt and discussion in Custom houses, and has occasioned considerabe trouble and some confusion in classification. It may be advisable that such a limitation should cease to exist, and that when articles are exempted specifically from duty, they should not be held liable to taxation, unless specifically placed in the Tariff again as dutiable articles. Copy of certain correspondence which has arisen out of this limitation is annexed.

5. Besides these questions, which have arisen out of the Notification of the 18th March, the general question of revising the Tariff classification and valuations presents itself for consideration. There has been no general revision of the present Tariff Schedule since it was framed in August 1875, although there have been several modifications from time to time in classification and valuation, and the Notification of the 18th March 1878 struck out partially or wholly a considerable number of articles entered in the Import Schedule.

6. The Chamber of Commerce of Bengal has urged upon the Government the necessity of revising the Tariff valuations, pointing out that in many cases these are much above the current market values. There is no doubt force in this representation, although the present low range of prices may be considered temporary, the result of specific causes. But even if the representation had not the claims to consideration which it seems to deserve, there is no question that valuations which were fixed almost four years ago may require alteration in the interests of the State as well as in those of importers. You are requested to enquire into this matter and submit such proposals as

you may consider necessary for the revision of the values entered in the existing Import Schedule of the Tariff Act.

7. The Chamber of Commerce further desires tha valuations should be revised annually, and the Governor-General in Council considers that compliance with this request might be expedient. How the revision should be made is a matter for consideration. His Excellency in Council, as at present advised, does not think that, for the mere purpose of revising Tariff values, the annual assemblage of a Committee drawn from all parts of India is either necessary or expedient. If price lists are carefully kept up in the Appraising Departments of the Calcutta and Bombay Custom house, these lists, subject to test and scrutiny by the local Chambers of Commerce, will probably form the best basis for the assessment of values annually. It is understood, however, that except in Calcutta, no price lists are kept up at Indian Custom houses, and your opinion is requested as to this matter generally, and as to the nature of the instructions to local authorities which would be necessary for the preparation of price lists in such manner as to make them faithful and complete records of the fluctuations of market prices and a safe basis, acceptable alike to Government and the mercantile community, for the settlement of standard average values for the assessment of duty.

8. It has further been suggested to the Government of India that it is expedient to frame the Tariff so as to levy duty as far as may be possible at a fixed rate on quantity, instead of taking it by a percentage on value, real or assumed. There is a large class of articles, staples

of trade, to which this system (on which the Export Schedule of the present Tariff is based) may perhaps, with advantage, be applied.

9. It seems also that the Tariff Schedule might be so reconstructed that by more particular detail of articles and greater precision of definition, no room may be left for doubts as to the clasification of articles for duty. At present doubts often arise as to the proper clasification of articles not specified in the Tariff. The object proposed to be attained is to increase the number of specified articles under general heads, and so diminish the number of those grouped undistinguished under "Other sorts." And it is also a matter for consideration whether some articles which still remain on the Import Tariff Schedule do not, on their own merits, as well as with reference to the small revenue derived from them, deserve exemption as much as, if not more than, some of the articles exempted by the Notification of the 18th March.

10 It is the wish of His Excellency in Council that, in considering the various questions which have been referred to you on this occasion, you should freely consult the members of the mercantile community in Calcutta, and endeavour, as far as possible, to ascertain their views upon the subjects which come under discussion. It is important that no time should be lost in commencing these enquiries with the view to the early submission of your report.

11. The correspondence noted in the annexed list is forwarded for your information.

*List of Enclosures.*

Letter from the Bengal Chamber of Commerce, dated the 17th April 1878, suggesting an alteration of the terms of the Notification in respect of the abolition of duties on certain classes of cotton goods.

Despatches from Her Majesty's Secretary of State for India, Nos. 72 and 95, dated, respectively, the 18th April and 16th May 1878, forwarding representations from the Manchester Chamber of Commerce and certain merchants of that city on the same subject.

Letters to the Government of Madras, Bombay, and Bengal, Nos. 65-67, dated the 28th June 1878, calling for returns shewing the effect of the Notification on the cotton goods trade, and the replies thereto received from those Governments.

Letter from the Bengal Chamber of Commerce, dated the 8th July 1878, suggesting a revision of the values under which duties are assessed under the Tariff Act XVI of 1875, and suggesting that Tariff Schedules generally should undergo revision annually.

Letter from the Chief Commissioner of British Burma, No. 932—311, dated the 17th May 1878, with enclosures.

Letter No. 69, dated the 17th July 1878, to the Chief Commissioner of British Burma.

Letter from the Government of Bombay. No. 3768, dated the 25th July 1878, and enclosure.

Letter to the Government of Bombay, No. 123, dated the 18th September 1878.

Letter from the Government of Bombay, No. 5191, dated the 10th October 1878; No. 5912, dated the 16th November 1878; and No. 6296, dated the 5th December 1878, with enclosures.

Letter to the Government of Bombay, No. 3, dated the 4th January 1879.

Letter from the Government of Bombay, No. 185, dated the 13th January 1879.

Letter to the Government of Bombay, No. 74, dated the 1st February 1879.

## REPORT OF THE COMMISSION.

*From The* HONOURABLE T. C. HOPE, C.S.I., AND J. D. MACLEAN ESQ., *to the Secretary to the Government of India*, DEPT. OF REVE., AGRI., AND COMMERCE.—No. *5, dated Calcutta, the 28th February* 1879.

With reference to your letter No. 29 of the 7th instant, we beg to report as follows upon the question of exemption of certain descriptions of cotton yarn and piece-goods from duty on import into India. Upon the other subjects to which your letter refers, we shall address you hereafter, when our enquiries, which in some cases involve correspondence with other parts of India, have been brought to a close.

Terms of exemption of cotton goods.

2. The exemption of cotton goods granted by the Notification No. 43 of 18th March 1878, was couched in the following terms:—

"Cotton, grey piece-goods, *viz*:—

T cloths under 18 reed, jeans, domestics, sheetings, and drills shewn to the satisfaction of the Customs Collector, whose decision shall be final,

to be of the dimensions, weights, counts, and qualities now generally known under those descriptions, and to contain no yarn of a higher number than 30*s*.

Cotton twist:

Mule, No. 32 and lower numbers.
Water, No. 20 and lower numbers."

It was subsequently explained (Notification No. 56, dated 24th April 1878) that the exemption of twist applied to grey twist only.

Objections made.

3. To the terms of this exemption, exception has been taken in various quarters. Regarding the portion relating to piece-goods, the Chambers of Commerce of Manchester and Bengal, whose letters we append, and various mercantile firms, urge that the exemption is materially vitiated by the limitation to certain specified classes of goods which it contains. There are, it is said, other classes of goods made of the same coarse yarns as those specified are, and differing from the latter only in width, length, and name, which thus remain subject to duty. And further, it is argued that if cloth answering to a certain known description is exempted when made of yarns not above 30*s*, any cloth made of such yarns ought to be free whether it answers this description or not. The limitation is declared to be thus not only productive of anomalies and unfair taxation, but also in contradiction of the declaration made in paragraph 57 of the Financial Resolution No. 1911, dated 18th March 1878, that "the real test" of what duties are protective "is the quality or fineness of the yarn of which the goods consist." Finally, both the

Chambers referred to suggest as a remedy the exemption of *all* cloths, of whatever designation, made of yarn not finer than 30*s*, and the suggestion is supported from other quarters, as explained in paragraph 8.

4. With regard to the exemption of grey twist the only objection comes from the Manchester Chamber, who state that "it is well known a great portion of yarn shipped to India up to 24*s* water and 40*s* mule, both inclusive, is spun from cotton grown in India," and who base on this statement a request for the exemption of "all yarns up to 36*s* water and 42*s* mule."

Explanation of the piece-goods exemption.

5. We will first consider the case of piece-goods. It is evident, from the nature of the objections made, that the intention of the Government in issuing the Notification has been generally misunderstood. It is supposed that the intention was to exempt all goods upon which the duties might to any extent, operate protectively. But the Resolution itself shews that a more limited measure was alone contemplated. Paragraphs 58 and 57 announce that "the Government of India has determined to *commence* by exempting" only "certain descriptions of goods regarding which it can *safely* be asserted that they are of the kinds with which Indian manufactures can compete successfully." The italics are our own. The necessity for this cautious and limited action arose from financial considerations, which have, in all declarations made regarding the cotton duties by the Secretary of State or the Government of India, been invariably declared to be paramount.

6. The information available in April last shewed, and we may mention that the conclusion has been amply con-

firmed by subsequent special enquiries, that the Indian mills rarely, if ever, spin yarn finer than 28*s*, and that the bulk of their cloths are made of much lower numbers. With the view of allowing an ample margin for all cases of doubt, 30*s* was fixed on as the "quality or fineness of yarn" at which the line of competition should be drawn. The exemption of all cloths made of yarn not exceeding this count would have been a necessary consequence of this decision, but for the difficulty of estimating the loss of revenue involved, the strong presumption that the loss would be considerable, and the inexpedience of running any serious financial risks. The causes of this difficulty, and the grounds for this presumption, will be apparent presently. All that was ascertainable was that grey T cloths under 18 reed, jeans, domestics, sheetings, and drills were for the most part made of yarns within the limit fixed; that these goods possessed a comparatively well fixed and recognisable character; and that the loss by exempting them would not exceed £20,000 to £22,500. This loss the Government were content to bear, and the Notification was framed accordingly. To prevent the passing of finer goods under the designations exempted, as also to avoid exclusive reliance on the testing of the yarn, which presents many difficulties in practice, the further check was provided that the cloths must be of the "dimensions, weights, counts, and qualities now ordinarily known under those descriptions."

Practical working of the Notification.

7. There appears to be no room for doubt that the Notification was sufficient and suitable for the objects the Government had in view, and that it has worked, within the limits it was intended to work in, without much trouble

or complaint. The records of a number of both Calcutta and Bombay disputed cases, which are before us, shew that attempts of various kinds to pass off cloths of higher descriptions as belonging to the lower were readily detected and generally admitted by the importers, as also that the difficulties of testing the counts of yarn, though considerable, were not so formidable as had been supposed. The descriptions of cloth named in the Notification are all such as are perfectly well known; many of them are generally quoted in trade circulars and prices current; merchants have no difficulty in understanding what is meant, and customs officers have no doubts about recognising them and passing them. If people make up shirtings in short lengths to pass as T cloths, or in double lengths, with a heading at each end, to simulate domestics, or put headings on their goods different from those with which they have previously been imported, or stamp their goods with designations to which they have no claim, they cannot reasonably complain at being obliged to pay the duty they have deliberatelty attempted to evade. On the above grounds, therefore, we do not consider that the terms of the Notification could be improved without altering its scope,

Real source of complaints

8. The real proximate source of the complaints which have arisen, is the fact that there is little essential difference between the cloths which have been exempted and large classes of cloth, otherwise styled, which have not. "Chudders," for instance, are merely sheeting made up in short lengths to suit the Calcutta market, of which they are a speciality; "longcloth" is a name for a coarse shirting of particular dimensions chiefly imported at Bombay; while shirting of

a coarse texture, when made up of a certain length and width, is almost the same as T cloth. To put the case in another form, cloth of almost the same texture *may* be found in a chudder, a dhotee, a T cloth, a longcloth and a shirting, the only variation being in length, width, and other details. We are well aware that it is only in a certain sense that these names can be said to be interchangeable, for a cloth is not, strictly speaking, entitled to a certain name unless it is of the dimensions, yarns and description generally known as appertaining to that name. And further, some names indicate somewhat different articles according to whether they are used for the markets of India or the United Kingdom. Virtually, all grey cloths are one long range, varying and almost infinitely variable in the details of length, width, weight, or yarn. It is sometimes very difficult to determine to which "description" a particular cloth belongs.

Only effective remedy is similar treatment of *all* cloths of same texture.

9. The only effective remedy obviously is to treat similarly, whether by exemption or taxation, all cloths of the same texture, irrespective of the lengths and widths in which they happen to be made up, or the names by which people may choose to call them. This course is that which is, more or less explicitly, asked for by the Chambers of Commerce of Bengal and Manchester, as well as by four mercantile firms in Calcutta, four in Madras, and four in Bombay, who have been consulted, and is approved by the Bengal Board of Revenue and the Customs Collector and Government of Madras. On the other hand, it is opposed at Madras by the Board of Revenue and one firm, and by the Chamber of Commerce, a copy of whose letter is appended. The Bombay Cham-

ber of Commerce and the Governments of Bengal and Bombay have expressed no opinion.

Difficulties of testing texture.

10. To ascertain, however, whether cloths are of a specified texture is one of the difficulties by which the whole question is surrounded. Theoretically, texture depends solely upon the quality or fineness of the yarn employed, and the latter should be readily ascertainable by weighing a piece of cloth of certain dimensions. In other words, the count, dimensions, and weight of a piece should indicate the average number of the yarn. But this is only true of goods made of pure cotton, and, practically, no such goods exist. A certain amount of sizing is indispensable to strengthen the warp against the friction and wear it must undergo in weaving. A larger amount is sometimes added to improve the appearance of the cloth, and more still to make it cheaper by taking the place of cotton. Addition with the last-named object is often carried, by the aid of China clay and other substances, to an extent amounting to fraud. Sizing and "filling" (as heavy sizing is sometimes called) are thus an inevitable disturbing element, which renders simple weighment insufficient as a test of yarn. No practical method of readily testing the amount of size in cloth has yet been brought forward, as far as we are aware.

Test by weighment.

11. To meet the difficulty, two courses have been suggested. A Manchester manufacturer has represented that weighment is a good test, provided an allowance be made for sizing, and that 25 per cent. should be the amount of such allowance. Having fixed upon a certain standard of

yarn for warp and weft as the maximum for exemption, and ascertained the weight, including 25 per cent. of sizing, of a square yard, a series of tables might be constructed shewing the correct duty-free weight of T cloths, long-cloths, and other makes for each count in the reed and pick and each different width. A Custom-house officer, after ascertaining the count and dimensions of any cloth, would only have to weigh it, and charge duty or not according to whether the weight was less or more than the duty-free weight shewn in the corresponding table.

12. To this suggestion, which appears to be partly (at least) derived from the French and other Tariffs, there occur to us several objections. *Firstly*, the fixing of a percentage for sizing is a material interference with the freedom of trade. We are told that there are special objects for which heavily sized goods are preferred, and that in any case the consumer should not be indirectly influenced in the exercise of his discretion. As a matter of fact, goods are frequently sized far above 25 per cent. *Secondly*, a direct inducement would be offered to putting in extra size, so as to bring the weight of the cloth above the weight given in the table, while, on the other hand, the more honest cloths, with less sizing, would be deliberately handicapped. *Thirdly*, the fixing of a limit would tend to encourage sizing up to that limit, and 25 per cent. is probably about double the proportion required for useful or honest purposes. *Lastly*, any system based on weighment can only test the *average* fineness of the yarn, and will allow of yarn far finer than the standard being used in the weft. Thus, a standard of 30*s*. would under this system, admit of the use of 40*s* in the weft, combined with 24*s* in the warp, with the result of admit-

ting free of duty a yarn respecting which Manchester has at present no direct Indian competition to encounter. If the standard were lowered so as to exclude warp and weft *averaging* more than 30*s*, it would be unfair to much honest cloth, and possibly might even leave untouched a part of the protection which it is the object to remove. Owing to these objections, and especially the last, we consider the test by weighment, as far as now understood, to be unworkable.

Test by measurement.

13. The other alternative, advocated by a Bombay merchant, consists in unravelling a sufficient length of the weft, measuring off one or more leas* of it on a machine, or warp reel of a certain size, and then weighing them to deduce the number of hanks which will go to the pound. He says:—

"The warp would certainly be more difficult to test than the weft; but I think I am correct in saying that in no case is the warp of any cloth ever of higher count than the weft, and thus, if the weft were found by testing to be low enough to pass below the duty standard, it might safely be assumed that the warp was also, so that it would appear that if an efficient test could be applied to the weft, it would meet the object in view. Now, as a matter of fact, the weft is easily unravelled, and still more easily tested; and such testing is likely to be accurate from the fact that cloth is sized while in the warp and before the weft is applied. Thus, the weft is not directly

*Yarns are numbered according to the number of hanks of 840 yards long that go to the pound weight. Yarn of which 30 hanks make a pound is called 30*s*, and so on. Each hank consists of 7 leas. Each lea of 120 yards long = 80 revolutions of a 54-inch reel.

sized, and only absorbs what it may gather from the warp. That it does absorb some, is no doubt the case; but in all probability this is not more than 6 or 8 per cent. at the outside, and the testing would thus be accurate to within that limit; say, in 30s to within two or four counts."

The Commissioner of Customs, Bombay, writing on the same subject, says that the weft is not invariably, though it is usually, finer than the warp, and that several tests from the same cloth sometimes give different results. On the other hand, he seems to estimate the probable error at not more than one or two numbers, and this is supported by other evidence and our own experiments. We are informed by a Calcutta firm, who import largely on their own account, that the warp reel is used daily by their agents in Manchester to test the purchases made on their behalf, and is found sufficiently trustworthy to protect them from imposition and loss.

14. This mode of test rests on more than one assumption, and evidently cannot give absolutely accurate results. The margin of error, however, seems pretty fairly distributed. If the weft takes up from the warp size enough to increase its weight by two or three numbers, that is in favour of the manufacturer. If, on the other hand, the effect of the size is, in some cloths at least, "neutralised by the increased tenuity resulting from the weaving and unravelling," as experience at Bombay is reported to shew, the Government will be no loser.

Test by measurement preferred.

15. Bearing in mind that absolute accuracy is rarely attainable in any thing, that the bulk of imports will probably still consist of cloths of the well-known

dimensions, weights, counts, and qualities (about which disputes are rare), and that, even without the systematic use of the reel, the decisions of our Customs Collectors as to yarns appear to have been pretty generally acquiesced in as equitable, we are of opinion that the system of measurement will in practice be found sufficient as a test of texture. It is at any rate preferable to any other with which we are acquainted, and the objections to it are not sufficiently weighty to render unsafe the exemption of all cloths of the same texture, which we have above stated to be the only effective remedy for the complaints against the system of exempting specified classes of goods now in force under the Notification.

16. The question which next arises is what texture of cloth or, in other words, what number of yarn should be made the limit of exemption? In paragraph 57 of the Resolution already referred to, the object at present in view is declared to be the abolition of such of the Indian cotton duties as are now actually protective. The chief point to consider is what are the present capacities and work of the Indian mills. Regarding Bombay, Mr. O'Conor, the Assistant Secretary in the Statistical Branch of the Department of Revenue, Agriculture and Commerce, made, during a recent visit there, very full enquiries. They amply corroborate what has already been formally stated on various occasions. We make the following extracts from a useful note which he has submitted :—

Suitable limit of exemption.

"The bulk of the yarns spun consists of Nos. 6, 10, and 20 mule twist. Water twist is spun in smaller quantities, and the highest number spun in any quantity

seems to be No. 18, but the bulk is 16*s*.

* * The commoner kinds of short-stapled cottons are not fit for the spinning, by machinery, of the finer kinds of yarns; * * * from 24*s* to 26*s*, 28*s*, and 30*s* the spinner requires a longer-stapled cotton, such as Hingunghat and good Coompta, and even such good cotton is not adapted for the proper spinning of yarn above 30*s*. * * * For the weaving of T cloths, longcloths, and domestics, the yarns employed range from 14*s* to 18*s* water and 16*s* to 22*s* mule. Very little mule twist is spun above 24*s*, and these (24*s*) are sent largely to China. For hosiery 26*s* and 28*s* are spun. * * * * The real number, as ascertained by practical test of the yarns spun in the Bombay mills, is almost invariably two numbers lower than the declared number. I have tried the yarn repeatedly and found this to be the case."

The spinnings at Madras and Calcutta are of much the same character.

17. There are thus good grounds for believing that, except in a small number of isolated instances, the limit of 30*s* fixed by the Notification goes rather beyond what is necessary for abolishing existing direct protection. The small margin thus left is, however, useful in many ways, by leaving room for errors of estimate, by covering isolated higher local manufacture, by allowing a greater difference between warp and weft, by minimising disputes, and by promising greater permanence for the limit than could otherwise be expected. A limit of 26*s* might cover the bulk of the local manufacture for a time, but it could not be long maintained, while much outcry would be caused by a reduction from the existing limit of 30*s*,

which seems to have been generally approved. To this we have alluded further in paragraph 27. We would therefore deprecate any alteration, unless indispensable for financial reasons.

18. We have spoken above of existing *direct* protection. But there exists also the indirect protection, alluded to in the Resolution, which enables the Indian-made coarse goods to displace, by their cheapness or other qualities, finer cloths imported. We have been shewn a particular cloth, made of 20*s* in an up-country mill, which we are told is driving out, in a certain local area, imported cloth made of 40*s*. The former happens to serve a particular purpose as well as the latter, while it is cheaper and wears better. In Bombay, local longcloths have already almost driven out imported ones of finer yarn, and Bombay dhoties *may* in time seriously affect the coloured-border imported dhoties now preferred to them in Bengal. But this indirect protection is very impalpable, and may easily be overestimated. We do not see how it can be dealt with, except by an exemption going far beyond the present limits of actual local manufacture, and involving a sacrifice of revenue not absolutely necessary. Supposing, for instance, 40*s*. were taken as a limit, this would admit duty-free the great bulk of shirtings and other fine grey goods. The loss would probably reach more than double the amount assigned in paragraph 23 to a limit of 30*s*., and as the goods are in the market, instead of having to be made to suit new conditions (as explained in paragraphs 21 and 23) this loss would accrue at once. If so much were conceded, it would hardly be worth while to stop short of exempting *all* grey piece-goods from duty.

19. In order to diminish the difficulties of the Customs Collector in ascertaining whether goods are within the duty-free limit, two suggestions have been made to us by members of the mercantile community. The first is, that the highest number of yarn used in any imported cotton cloth should invariably be declared by the importer in his bill-of-entry, on his own authority or that of a manufacturer's certificate. This the Chief Customs authority possesses, under section 86 of the Sea Customs Act, power to require him to do. The second is that no such cloth should be admitted duty-free unless it was stamped by the manufacturer with the "description," or the limit of yarn, under which it is to be declared and passed. It is argued that these measures would prevent goods being passed as of duty-free quality, and afterwards sold as of their real higher quality, and would thus deprive the importer of his chief inducement to fraud, as also that they would at the same time be a material assistance to sound goods and no honest trader could reasonably object to them. We must state frankly, however, that we place little reliance upon certificates and declarations. As to marks, experts at trade centres are never guided by them, and up-country retail purchasers rarely even understand them, but depend on their own inspection of the cloth itself.

Prevention of frauds.

20. We will now endeavour to present the financial aspects of an exemption of *all* cloth made of yarn not finer than 30s. The concession in this direction already made was estimated, in paragraph 58 of the Resolution of 18th March 1878, as costing not more than £22,227, and probably less, according to the duty paid in 1876-77. On the

Financial results of exemption already granted.

figures of 1877-78, now available, the estimate would be £ 16,775 only. The actual amount of duty foregone in the eight and a third months following the date of the Notification has been £8,907, as far as we have been able to ascertain. The later Madras figures, and those for "other ports," are only estimates. This low result is, however, to a great extent abnormal. Importations of grey piece-goods are usually slack before, and during a great part of, the monsoon, while the late scarcity in Western and Southern India, the disturbed state of Europe, the strikes in English manufacturing districts, and the accumulation of certain stocks have probably all contributed towards a diminution of imports. At the same time, such explanations can not be altogether relied on, for the fluctuations which take place in the different items of the cotton trade are considerable, and are attributable to alterations in the public taste, to the

| | April to June. | July to December 31st. | Total. |
|---|---|---|---|
| | £ | £ | £ |
| Bengal .. ... | 754 | 3,932 | 4,686 |
| Bombay .. .. | 1,005 | 2,226 | 3,231 |
| Madras .. . | 243 | 565 | 808 |
| Other Ports.. ... | 60 | 119 | 185 |
| Total .. | 2,065 | 6,842 | 8,907 |

| Items. | Values. 1876-77. | 1877-78. |
|---|---|---|
| *Piece-goods*— | £ | £ |
| Jaconets .. .. | 634,877 | 791,649 |
| Mulls... .. .. | 195,640 | 164,597 |
| Printers .. .. | 62,941 | 50,445 |
| Shirtings and longcloths .. | 5,804,862 | 6,836,696 |
| T cloths, 18 reed and upwards, and madapollams .. | 891,979 | 800,743 |
| T cloths under 18 reed, jeans, domestics, sheetings, and drills .. .. | 444,413 | 235,500 |
| Other sorts, grey .. .. | 1,234,124 | 2,218,539 |
| White, bleached .. .. | 2,873,639 | 2,954,775 |
| Coloured, printed or dyed .. | 2,690,388 | 2,454,100 |
| Handkerchiefs and shawls in the piece .. .. | 60,256 | 135,806 |
| Canvas .. .. | 324 | 1,491 |
| Other sorts of piece-goods .. | 4,068 | 5,240 |
| Total Piece-goods .. | 14,901,311 | 16,749,281 |
| Sewing thread .. .. | 60,564 | 83,446 |
| *Twist*— | | |
| Mule, No. 32 and under .. | 97,162 | 96,507 |
| ,, ,, 33 to 42 .. | 748,174 | 830,892 |
| ,, above 42 .. .. | 309,585 | 331,083 |
| Water, No. 20 and under .. | 1,105 | 1,588 |
| ,, ,, 21 to 30 .. | 192,036 | 196,445 |
| ,, ,, above 30 .. | 16,719 | 5,918 |
| Turkey red .. .. | 854,836 | 970,307 |
| Other colours .. .. | 408,646 | 455,334 |
| Total Twist .. | 2,629,343 | 2,888,074 |
| All other sorts of cotton goods.. | 28,443 | 37,454 |
| Grand Total .. | 17,619,628 | 19,758,255 |

opening or closing of particular markets, and other causes as well as to such as those already named. The marginal table is instructive in this respect. The fall in coarse goods above referred to will be seen to have been accompanied by a considerable rise in higher qualities, resulting in an increase of 8·8 per cent. in the entire value of the trade, and of £10,370 in the duty accruing to the Government. A scrutiny of the returns shows that this increase has occurred almost entirely in Bengal, and the fact may be held to corroborate the argument put forth in paragraphs 21 to 26 of the Secretary of State's Despatch No. 9, dated May 31st 1878, that the trade is checked in Bombay, where local production exists, but thrives in Calcutta. On the other hand, however, it might be retorted that the increased imports from Bombay, mentioned in paragraph 25 are, consequently, doing no harm, and that there have been decreases in Madras, Burma and Scind, where there are no local mills at all. The truth seem to be, that in this case both Bombay and Manchester have poured out their over-production on the largest market they could reach, and that, generally, much caution is necessary in drawing inferences from limited statistics.

We may here state that neither in this place nor elsewhere in this report are we to be understood as ascribing the advance in local manufactures solely, or even mainly, to any protection which they may have received from the import duties.

After a retrospect of past years, we are inclined to think that the loss in an ordinary whole year by the exemption already granted may be taken at £20,000 in round numbers. It is here worthy of note that the coarse goods

import trade only amounts now to about one-half of the estimate of four lakhs given of it by the late Tariff Committee in 1875, in paragraph 13 of their Report.

Estimated loss by extension up to 30*s*.

21. Obscure and doubtful as even an estimate of the loss involved in the concession already made is thus found to be, it is certainty compared with any figures which can be offered relating to the extension to all goods made of 30*s*. and under, which is now in question. Setting aside all considerations of overstocking, depression of trade, and the like, two fundamental difficulties remain. The first is that the yarn of which goods are made is never specified by importers or manufacturers, whose interest, indeed, it is to hold back what would be a means of ascertaining the amount of size employed. The entire range of superior goods from printers downwards—printers, madapollams, longcloths, shirtings, T cloths 18 reed and upwards, and dhoties—comprises qualities made of 30*s* and even, in some cases, rather lower numbers; but what proportion they bear it is impossible to affirm. The second difficulty is that the extensions under discussion would probably soon effect a complete revolution in the piece-goods trade. The Commissioner of Customs of Bombay (Mr. Pritchard), in an able report on the whole subject, observes of the extension:

"It will operate to create a new class of shirtings made of yarns 28 by 29 or 30, instead of the present standard quality of 32 by 36. This will pass free of duty, and, if it finds favour in the market, will take the place to a large extent either of the longcloths or of the

shirtings now used, or of both. The extent to which the revenue will be affected will depend, first, on whether the new texture takes, and next on whether it finds its chief sale among the classes which now buy Indian-made longcloths, or among those who use the imported shirtings. As it will be of better quality than longcloths, and will be saleable at 5 per cent. cheaper than the shirtings now made, it seems likely that it will compete about equally with both; and that, assuming that it displaces altogether about half as much cloth as is now imported, the loss to the revenue likely to result from its introduction may be taken at about a quarter the income now derived from shirtings."

A large mercantile firm consulted says:

"There can be no doubt that a trade in cloth made of yarn just within the limit for exemption of duty would be fostered, and which might gradually become of considerable importance. Such cloth would probably be appreciated by consumers for its intrinsic value, as well as for its comparative cheapness, owing to there being no duty upon it; and if this should be the case, it might do away, to a considerable extent, with this importation of cloth made of yarns ranging from 32*s* upwards."

Going on to estimate the total duty paid by grey cloths made of yarns from 32*s* to 44*s* at £160,000, this firm give, as a "rough guess," one-half of that amount as the probable loss under that item alone. Four other non-official authorities, whom we have consulted in Calcutta, respectively put the loss at one-fourth, two-thirds, three-fourths and seven-eights of the shirting revenue.

22. The duty received for grey cotton goods in 1877-78 is shewn in the margin. The fifth item is that of the goods exempted in March last. The others are those which the extension would more or less affect. Chudders would become entirely free, as they are of the same class as the articles under item 5. They would probably have been exempted by name in March last had they been brought to notice, but they are not separately specified in the general returns, as their demand is local and their yield inconsiderable. Coarse or "shirting dhoties" would also be almost entirely freed, if their borders, which are either coloured or of fine white yarn, were left out of consideration. But these borders place them to some extent in the category of fancy goods, and (together with certain caste rules and preferences) give them a position distinct from that taken up by the coarse Bombay dhoties which are now coming to Calcutta in increasing quantities. They are in demand almost exclusively in Bengal, but the item is a very heavy one, and if financial difficulties are pressing, their exemption might be postponed for a time, though it could hardly be permanently denied. The real element of uncertainty arises, however, from the exemption invading, in unknown force, the great domain of shirtings and longcloths, which produces about a third of a million sterling. Longcloths are now an insignificant item, so the shirting revenue is that really threatened.

| | | £ |
|---|---|---|
| 1. | Jaconets and mulls ... ... ... | 47,712 |
| 2. | Printers ... ... ... ... | 2,522 |
| 3. | Shirtings and longcloths ... ... | 341,835 |
| 4. | T cloths over 18 reed, and madapollams ... | 40,037 |
| 5. | Ditto under 18 reed, jeans, domestics, sheetings and drills .. .. | 16,775 |
| 6. | Other sorts, including dhoties and chudders | 110,929 |
| | | 559,810 |

23. The difficulty of our offering any estimate at all of the probable sacrifice of revenue involved in exemp-

tion with a limit of 30s will, we trust, be fully recognised. We can only put forward, as possibly of little worth, the following figures derived, as regards Bombay, from the Commissioner's report, and as regards Calcutta, from our sifting of the various surmises which have come before us. The amount is about 36 per cent. of the total duty derived from grey goods. Our general impression is that in the first year, before there has been time for new makes of shirting to be devised and establish a footing throughout the country, the loss would be less, perhaps considerably less, than this proportion, but that in subsequent years it might be more. The period within which the full loss will be attained is put by various authorities at from one year to three. Considering that weaving new kinds of cloth involves first spinning the yarn, that such cloths are not likely to be largely made until samples have been sent to India and public opinion has been tested regarding them, and that existing stocks of finer goods must be worked off, we doubt whether the new makes will appear in any great quantity in the Indian market before the fall of 1879, and we should not be surprised if the actual loss of revenue in 1879-80 turned out to be at least a fourth or a third less than the sum we have named. That sum

| | Bengal. | Bombay. | Total. |
|---|---|---|---|
| | £ | £ | £ |
| Printers ... ... ... | .. | 500 | 500 |
| Shirtings and longcloths | 80,000 | 21,000 | 101,000 |
| T cloths 18 reed and upwards ... ... | 2,000 | 8,000 | 10,000 |
| Madapollams ... ... | 10,000 | 2,000 | 12,000 |
| Shirting dhoties, &c. ... | 50,009 | 5,800 | 55,800 |
| Chudders ... ... ... | 2,500 | .. . | 2,500 |
| | 144,500 | 37,300 | 181,800 |
| Add for other provinces, about ... ... | .. | ... | 20,200 |
| | | | 202,000 |

might be further considerably reduced if dhoties were not freed.

24. We have not overlooked the fact that in the 3rd paragraph of your letter the reference to us embraces the question of exempting all goods of a class not only produced, but "capable of being produced," in the Indian mills. Their present capacity, or, in other words, what it at present pays them to produce, has been indicated above, and upon that the limit of 30*s* rests. But what classes of production may hereafter become remunerative to them, with the existing freedom to import long-stapled cotton, and under the stimulus which the increase of mills throughout India and the untaxed admission of higher Manchester goods will afford, we are unable to conjecture. But we may quote, as still appropriate, some remarks made by Mr. Hope in a speech, introducing to the Legislative Council of the Governor-General the Tariff Bill in August 1875:

"This scheme (of exempting the coarse goods subject to local competition) had, at first sight, a great deal to recommend it, but it was open to two objections: *first*, that it was impossible to draw a well-defined line between coarse and fine goods; and *secondly*, that any line drawn would not only lead to elaborate evasions and frauds on the part of the home manufacturer, who would endeavour to make goods which should just come within the exemption, but would stimulate the local mills to manufacture goods just above the line, and so would enlarge the range of the competition now complained of. The line would never be a steady and permanent one, for it would be necessary perpetually to keep moving it on further and further,

higher and higher, until in the end, perhaps the whole duty would be affected."

In the same sense, a large Bombay mercantile firm, speaking of the relief of "chudders" from duty, adds:

"Our own feeling is that local manufacturers can hold their own against Manchester competition in such articles without the assistance that is rendered by import duty, and we further believe that gradually they will extend the field of their competition with Manchester manufacturers, and that, eventually, they will compete successfully in the higher counts of yarn, and also in finer cloths, solely on the strength of their superior position as regards the supply of the raw material and their proximity to the great consuming markets of Asia. At present there is little or no inducement for the local mills to attempt the higher counts of yarn. But competition amongst themselves will gradually force them into it, and in such a case there will be no great difficulty in importing to advantage the better class of raw cotton required either from Egypt or America."

Under these circumstances, we think it is only possible to act upon existing well-ascertained facts.

25. In illustration of this branch of the subject, we may give the following figures, shewing the advance which has lately been made by the Bombay mills in supplying by sea the markets of other parts of India, excluding ports within the Bombay Presidency, of which complete returns are not procurable:—

| Exports from Bombay. | 1875-76. | | 1876-77. | | 1877-78. | | 1878-79. | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | Nine months' actual. | | Twelve months' estimate. | |
| | Quantity. | Value. | Quantity. | Value. | Quality. | Value. | Quantity. | Value. | Quantity. | Value. |
| *To Ports in Bengal—* | | £ | | £ | | £ | | £ | | £ |
| Twist and yarn ... lbs. | 372,400 | 1,64,18 | 4,308,524 | 19,05,93 | 5,838,262 | 26,11,55 | 3,130,810 | 13,46,01 | 4,274,413 | 17,94,68 |
| Piece-goods .. ... yards | 1,161,575 | 166,70 | 3,497,966 | 6,64,50 | 12,038,564 | 22,52,91 | 13,273,255 | 21,86,62 | 17,697,673 | 29,15,50 |
| *To Ports in Madras—* | | | | | | | | | | |
| Twist and yarn ... lbs. | 4,667,209 | 21,44,98 | 5,850,365 | 27,25,75 | 5,076,717 | 23,97,53 | 4,145,532 | 18,99,22 | 5,527,376 | 25,32,29 |
| Piece-goods .. ... yards | 1,090,314 | 2,56,74 | 946,558 | 2,78,55 | 795,063 | 2,02,83 | 311,225 | 92,53 | 414,980 | 1,23,98 |
| *To other Indian Ports—* | | | | | | | | | | |
| Twist and yarn ... lbs. | 502,533 | 2,30,44 | 538,149 | 2,61,40 | 894,440 | 3,90,91 | 692,706 | 2,81,18 | 923,608 | 3,74,90 |
| Piece-goods .. ... yards | 10,420,128 | 13,26,89 | 12,596,642 | 16,99,99 | 12,925,749 | 15,95,35 | 7,854,662 | 8,52,11 | 10,472,882 | 11,36,15 |
| *Total—* | | | | | | | | | | |
| Twist and yarn .. lbs. | 5,542,142 | 25,39,60 | 10,697,038 | 48,93,08 | 11,809,419 | 53,99,99 | 7,969,048 | 35,26,41 | 10,725,397 | 47,01,87 |
| Piece-goods .. ... yards | 12,672,017 | 17,80,83 | 17,040,166 | 26,43,04 | 25,759,379 | 40,51,06 | 21,439,152 | 31,31,27 | 28,585,535 | 41,75,63 |
| Total values .. | | 43,19,93 | | 75,36,12 | | 94,51,08 | | | | 88,75,50 |

To this must be added the goods sent by land. The extent of this trade cannot be ascertained, as even the returns of supplies sent by railway do not distinguish Indian from European cotton manufactures, but it is estimated by authorities competent to judge at not more than 20 per cent, in addition to the above. Besides this expansion within British India, the export trade in cotton yarn and piece-goods of Indian manufacture from all India has, within the last four years, increased as shewn in the margin. Of this trade, about 85 per cent. belongs to Bombay. On the other hand, taking the value of the whole internal trade in 1877-78 at £1,130,000 in round numbers, this is only about 8 per cent. of the value (£14,190,000) of the imports of grey goods from the United Kingdom into British India in the same year, and the Bombay trade is undoubtedly far from remunerative at present. At a meeting of the Millowners' Association, held there on the 15th instant, it was stated that "nearly one-third of the local mill industry has, in the space of a few months, actually failed. Eight mills have already been put into liquidation, and two or three more are expected to go very soon." Indian cotton manufacture has probably a great future, but that future is probably somewhat remote.

| | 1875-76. | 1876-77. | 1877-78. | 1878-79. Three months' estimate. |
|---|---|---|---|---|
| Twist and yarn lbs. .. | 6,228,511 | 7,926,710 | 15,600,291 | 21,963,646 |
| Piece goods yards .. | 15,059,083 | 15,544,168 | 17,546,369 | 22,759,212 |

26. Your reference to us likewise contemplates, as a limit to the exemption to be suggested, that it shall not

involve "an undue sacrifice of revenue" and "a loss of revenue that could not be afforded." What sacrifice of revenue would not be undue depends upon the present urgency of the necessity for extending the exemption, and what loss of revenue could be afforded can only be determined in clear view of all the financial resources and necessities of India during the coming year. Upon both these matters we possess no sufficient knowledge. We consequently feel that we cannot do more than lay before the Government of India such estimates as we are able to frame of the cost of the various courses of action which appear to be practicable, with the merits or defects of each, and add two remarks: 1*st*, that the loss by any exemption may be expected to be somewhat recouped by a slight gain, proportioned to its extent but not now ascertainable, in railway receipts; and, 2*ndly*, that our recommendations for revision of tariff valuations, which cannot be matured until the end of the month at the earliest, appear likely to involve a considerable loss.

Alternative practicable remedies.

27. Our reasons for thinking the exemption of all cloths of yarns under 30*s* to be the only present effective remedy for the complaints which have arisen have been given above. In view, however, of the sacrifice of revenue thereby involved being found impossible, we may explain two alternatives which occur to us as practicable: 1*st*, to exempt all cloths of the same texture, but to lower the standard to yarns No. 26*s*; 2*nd*, simply to add one or two more designations of cloth to those contained in the Notification of March 18th.

28. All the evidence received shews that, although the

Bombay mills *do*, in special cases, and by special order, use yarn nominally 28*s* and 30*s*, the vast bulk of the outturn is well within a maximum of 24*s*. A limit of 26*s* would probably, therefore, suffice *for the immediate present* to relieve from duty most of the imported cloths (speaking broadly) which now suffer from direct local competition. Under this limit printers (an insignificant item) would get no exemption, T cloths, 18 reed and upwards, as also chudders, would enjoy about the same as under a limit of 30*s*, exemption of madapollams would fall to about half, and that of shirtings and dhoties (especially the latter) would be very materially, though perhaps not entirely, curtailed.

First alternative remedy.

29. Subject to all our previous reservations as to the impossibility of giving more than a guess, the cost of this alternative may be presumed to be as per margin. The item for shirtings, however, may perhaps be too high. As before, the whole of this loss would not accrue in the first year, but a greater proportion of it probably would.

| | Bengal. | Bombay. | TOTAL. |
|---|---|---|---|
| | £ | £ | £ |
| Shirtings and longcloths | 30,000 | 8,000 | 38,000 |
| T cloth 18 reed and upwards ... ... | 2,000 | 8,000 | 10,000 |
| Madapollams .. | 6,000 | 1,000 | 7,000 |
| Shirting, dhoties, &c. .. | 10,000 | 1,100 | 11,100 |
| Chudders .. .. | 2,500 | . | 2,500 |
| | 50,500 | 18,000 | 68,600 |
| Add for other provinces, say .. .. | ... | .. | 7,600 |
| TOTAL .. | ... | .. | 76,209 |

27. The advantages of this alternative are, that it would be much cheaper than the exemption up to 30*s*, and that it would save our shirting revenue considerably. Supposing the present normal range of coarser shirtings to be

made of from 40*s* to 34*s*. it would not be difficult for a new class, made of 30*s* and just under, to take their place extensively. But to get four counts lower is a different thing, and shirtings of 26*s* would not be good enough for a large proportion of purchasers. We may add that this limit is recommended by the Bombay Commissioner of Customs. On the other hand, the disadvantages are that the narrower limit would make disputes much more frequent, that the retrocession from the already notified limit of 30*s* would cause much outcry, and that the measure could be but very temporary, as the Indian mills would be stimulated at once to push their manufacture into the finer numbers of yarn, and the pressure for a return to the limit of 30*s* or higher could not be long resisted.

Second alternative remedy.

30. If it were decided merely to add a few readily distinguishable kinds of cloth to those already named in the Notification, "*chudders*," which are merely sheeting made in particular lengths to suit the Calcutta market, should certainly be so treated. The coarsest dhoties might also perhaps be exempted, but in their case a special limit of 26*s* yarn would be desirable to exclude the better class of shirting dhoties which would otherwise come in largely for shirting purposes. Similar treatment of longcloths we cannot recommend, as they are practically undistinguishable from shirting. To admit them with a special limit of 26*s* would, financially, be nearly the same as adopting our first alternative in its entirety, but the practical difficulty of deciding whether a cloth made of 28*s* should be called a longcloth and taxed; or a coarse T cloth and exempted, would be almost insuperable. The cost of exempting "chudders" and dhoties of 26*s*

would probably not exceed £15,000. The maintenance of the Notification, thus amplified, would of course leave unsatisfied, in the main, the desire of the present complainants to be allowed to make, unfettered, except by the 30*s* limit, shirtings or any other cloth they please. We would not be understood as in any way advocatiug it.

General reduction of the rate of duty on grey goods.

31. We may here mention that it has been represented to us that it would be better for the interests concerned to reduce the 5 per cent. duty on all grey goods, by 1 per cent. or more, than to exempt certain specified descriptions of cloth, or even all cloths made of yarn up to 30*s* or any other particular count. In support of this, much extent and importance is assigned to the displacement movement, and it is said that the Indian piece-goods and yarns are rapidly affecting all except the very highest imported goods. It is held that such a general reduction, say, of only 1 per cent. at a time, as the finances could bear the loss, would be preferable to total exemption of goods below any given line combined with full duty on those above it. It is thought hard that mills in Lancashire which turn out one class of goods should get a relief which others do not share. The uncertain financial effect of exemption on a limit of 30*s*, and the probability of nearly the whole shirting revenue being lost by it, are insisted on, and the general reduction is advocated as a more certain and economical measure.

32. Setting aside for a moment the practical difficulty of re-imposing a duty of 4 per cent. on the descriptions of goods which have already been declared free, we cannot see how the measure proposed is at all in accord with

ascertained facts. We have no good evidence that the displacement movement has attained the proportions alleged, but there is no doubt at all that the Indian mills do, within certain limits, compete seriously and extensively with importers. As it has been decided that the latter are to be relieved of protected competitors, we can see no argument, on the merits, for relieving them piecemeal, and prolonging over a series of years part of any loss they are admitted to sustain, especially with the object of giving exemption from duty to those whose position is as yet only feebly assailed. Financially, the measure possesses some recommendations, but we do not think they outweigh the objections to it, and we doubt whether it would find much favour with the mercantile community.

Complaint about yarns.

33. We now turn to the complaint regarding yarns made by the Manchester Chamber of Commerce alone. It is to the effect that all yarns up to 36*s* water and 42*s* mule ought to be exempted, because the great portion of yarn shipped to India up to 24*s* water and 40*s* mule, both inclusive, is spun from cotton grown in India. Upon the face of this, it does not appear why the exemption should go up to 36*s* water, when the limit of Lancashire spinning of Indian cotton is confessedly only 24*s*; or again, why the Indian cotton should be sent to England at all to be spun into high numbers unless it cannot be spun profitably on the spot. That it cannot now be so spun has been repeatedly ascertained by the most careful enquiries, including the recent ones of Mr. O'Conor. He says:

"The bulk of the yarns spun consists of Nos 6, 10, and 20 mule twist. Water twist is spun in smaller quan-

tities, and the highest number spun in any quantity seems to be No. 18, but the bulk is 16*s*. * * * The causes, then, which prevent the spinning of yarns of 40*s* and upwards in the Indian mills are—1*st*, high price of raw material; 2*nd*, diminution in outturn as compared with lower counts; 3*rd*, inferior quality of outturn as compared with English yarns. These causes are, no doubt, removable. If the finer cottons are more largely grown, and the price falls considerably, the smaller outturn of yarn within a given time will not be of material importance, and it is possible that with the use of longer stapled cotton, and the exercise of greater skill and care, the quality may become as good as that of English yarn. * * * It will be long indeed, in my judgment, before the Indian mills will venture on any active competition with Manchester in the spinning of 40*s* and higher counts of yarn." The above conclusion is supported by the fact that the numbers for which exemption is asked are those in which the importations are largest, and that there are no symptoms of a decline in the trade. As to indirect competition, we have been told that Bombay 20*s* are displacing, for homespun cloth, imported 40*s* doubled, but as to this we

| | | Water Twist. | | Mule Twist. | |
|---|---|---|---|---|---|
| | | Imports into Calcutta. | Imports into Bombay. | Imports into Calcutta. | Imports into Bombay. |
| | | 21*s* to 30*s*. lbs. | 30*s*. lbs. | 33*s* to 40*s*. lbs. | 40*s*. lbs. |
| 1869 | .. | The imports are quite trifling. | 3,350,185 | 7,504,500 | 1,414,890 |
| 1870 | ... | | 3,686,570 | 10,364,000 | 1,861,310 |
| 1871 | .. | | 1,645,270 | 7,108,500 | 987,712 |
| 1872 | .. | | 2,276,618 | 7,961,000 | 912,415 |
| 1873 | ... | | 2,220,620 | 5,603,500 | 1,432,130 |
| 1874 | .. | | 3,021,510 | 9,052,000 | 1,956,965 |
| 1875 | .. | | 2,049,680 | 5,977,000 | 1,193,100 |
| 1876 | ... | | 2,922,970 | 6,133,000 | 1,557,330 |
| 1877 | ... | | 4,325,541 | 8,633,500 | 1,739,048 |

can only refer to what we have said above in paragraph 18. The extent of the trade during the last nine years is shewn in the margin. The amount of duty realized is about £35,000 per annum—a sum far too large to be sacrificed without apparent reason. We may add that the exemption asked would be a great boon to the Bombay mills, and materially promote their spinning fine cloths with English yarn, to the further detriment of the Manchester piece-goods trade.

| | 1876-77. | 1877-78. |
|---|---|---|
| | £ | £ |
| Mules, Nos. 33 to 42 ... | 26,221 | 29,081 |
| Water ,, 21 to 30 .. .. | 6,723 | 6,875 |
| ,, above .. .. .. | 585 | 207 |
| Total ... | 33,429 | 36,163 |

34. With reference to the instructions contained in your 10th paragraph, we have to report that, in addition to careful perusal of the replies of various members of the mercantile community to references, official and demi-official, which had been made to them by the Local Governments and otherwise, previously to our appointment, we invited the members of the Chambers of Commerce of Bengal and Bombay, and of the Calcutta Trades Association, to favour us with any representations or suggestions which occurred to them. We have accordingly received visits from several members individually, as also demi-official letters, and held on the 20th a conference with the Committee of the Bengal Chamber.

35. In conclusion of this report we have only to remark that we consider any discussion of, or expression of opinion on, the general policy of a partial or total remission of the cotton duties, and the probable effects of such a policy

upon English or Indian manufacturers, or the Indian producer, consumer or tax-payer, to be beyond the limits of the duty assigned to us, and have carefully abstained from such accordingly.

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## ENCLOSURE No. 1.

*From*—H. W. I. WOOD, ESQ., *Secretary to the Bengal Chamber of Commerce, to the Secretary to the Government of India*, DEPT. OF REVE., AGRI., AND COMMERCE *Dated Calcutta, 17th April* 1878.

I AM directed by the Committee of the Chamber of Commerce to address you in regard to the Notification No. 43, dated 18th March 1878, exempting from all import duties sundry descriptions of grey cotton piece-goods.

In the Resolution No. 1911, dated 18th March 1878, published by the Financial Department, it is stated that the Government of India have been at some pains to ascertain how such of the cotton duties as appears to them actually protective could be defined, and it is then added, as the result of such enquiry, "that the real test is the quality or fineness of the yarn of which the goods consist."

The Committee of the Chamber do not propose to discuss the question of how far this proposition is correct, —the object of their communication being to point out that the legislation which followed the enquiries resulting in the conclusion above referred to appears to have proceeded on a different basis, and to call attention to certain anomalies which, in consequence, have arisen.

Paragraph 57 of the Resolution particularises by name the descriptions of goods proposed to be exempted from

duty,—these being T. cloths, jeans, domestics, sheetings and drills; and paragraph 58 imposes "the further condition that goods so exempted shall not contain finer yarn than what is known as 30*s*, that is, yarn of which 30 hanks of 840 yards each weigh one pound." In the Notification it is similarly specified that the goods exempted from duty shall come under certain designations, and also be subject to the further condition as regards fineness of yarn already referred to.

The apparent contradiction between the "real test," as defined by the Government of India, and the terms of the Notification, has occasioned considerable dissatisfaction amongst importers of cotton goods, and it has been represented to the Committee of the Chamber that the condition referred to must operate very unfairly against certain goods which, though satisfying the condition as to count of yarn, are still not commonly recognised by any of the names set forth in the Notification. As an illustration, the Committee would draw attention to a certain description of *stout* or *domestic* cloth, which, for convenience of sale, importers have been in the habit of receiving in pairs of about 10 yards in length. These goods are used very largely by the Natives as *chudders*, and consequently this name has been given to them by importers, and is their recognised designation by the Custom House authorities. This being so, it follows that although the cloth is in all respects, as far as quality is concerned, a *domestic*, still, with the present Notification before him, the Collector of Customs is unable to pass it free of duty.

Other instances might be given to show the unfavourable position in which importers of certain fabrics are

placed, but *chudders* have been selected both because they fairly illustrate the anomaly created by the terms of the Notification, and also because such goods are largely manufactured in Native mills; and thus the protection which the Government apparently desire to remove still remains in full force in regard to these goods.

The practical effect of the Notification as it now stands is, that cloth made in a particular length and bearing an arbitrary title passes free of duty, while precisely the same fabric cut up for convenience of sale into a different length has to pay duty.

The Committee of the Chamber would, therefore, respectfully urge on the Government the desirability of amending the Notification so as to include *all* cloths, of whatever denomination, made of yarn not finer than 30*s*; or if the intention of Government was really to exclude from exemption all goods not specially particularised, although fulfilling as to quality and fineness of yarn the "real test" laid down in the Resolution, then in such case steps should be taken to remove the ambiguity which appears at present to surround the question.

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## ENCLOSURE No. 2.

*From* THOMAS BROWNING, ESQ., *Secretary, Manchester Chamber of Commerce, to the Under Secretary of State for India.—Dated Manchester, 27th March* 1878.

I HAVE the honour to acknowledge receipt of your letter of yesterday, in which the Chamber is informed that Lord Salisbury is not in possession of information more specific as to the particular goods and yarns which in future are to

be admitted into India duty-free, than that contained in the telegrams which have appeard in the public press.

I am to state that the Chamber has been informed by telegraph, from Calcutta, that it is the intention of the Government of India to limit the exemption from duty strictly to goods and yarns named in the published reports.

The Directors are of opinion that such a limitation will fail to secure the obvious intention of the Government, and I have been directed to forward to Lord Salisbury the annexed copy of Resolution, passed unanimously at a Meeting of the Board held this morning.

The views contained in the Resolution have been arrived at after careful consideration; and they are respectfully and earnestly commended to the attention of His Lordship; the limitation as it now stands having greatly perplexed both manufacturers and merchants in their operations.

I am further instructed to say, that if it be the desire of Lord Salisbury to have practical evidence in support of the position taken by the Directors in the Resolution, a small deputation from their number will be happy to wait upon him with that object at any time he may appoint.

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*Resolution passed at a Meeting of the Board of Directors of the Manchester Chamber of Commerce, held on Wednesday, 27th March* 1878.

THE Directors of the Manchester Chamber of Commerce regard the action of the Government of India in

exempting coarse yarns and goods from import duty as a first step towards the complete abolition of the duties, which they hope soon to see accomplished.

As the Government of India has elected to proceed towards the contemplated end by partial exemption, rather than by affording general relief, with the avowed object of removing the protective incidence of the duties on the particular goods and yarns which the Indian mills, by reason of their natural advantages, are suited to produce, it is obvious that the list of free goods requires to be materially added to.

The exemption is extended, in the first place, to goods containing no yarns finer than 30*s*, such as can economically be spun by the Indian mills from Indian-grown cotton; but then a limitation is added, and the only goods which are to be admitted free are T cloths under 18 reeds, jeans, domestics, sheetings, and drills.

Shirtings and longcloths, for instance, although they be made from 30*s* and coarse yarns, such as are spun in India, precisely the same in texture as T cloths, and differing therefrom in width, length, and name only, remain subject to the impost.

In the case of yarns, the objection to the fixed limits of the free list is even stronger; they are 20*s* water and 30*s* mule, whilst, as is well known, a great portion of yarn shipped to India, up to 24*s* water and 40*s* mule, both inclusive, is spun from cotton grown in India.

In view of the foregoing, it is resolved to urge upon Her Majesty's Chief Secretary of State for India the desirableness of simplifying those provisions of the new

Indian Budget that affect manufactured cotton, by exempting from duty all goods made from yarns not finer than 30*s* and all yarns up to 36*s* water and 42*s* mule.

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## ENCLOSURE No. 3.

*From—The Chairman of the Madras Chamber of Commerce, to the Collector of Customs, Madras.—Dated, 3rd September* 1878.

I HAVE the honour to acknowledge receipt of your letter of the 17th ultimo, requesting the opinion of the Chamber on the expediency of exempting all grey cotton piece-goods unmixed with foreign substances, not containing yarn finer than 30*s*, and chudders made from 20*s* to 24*s* yarn, from import duty.

In reply, I am desired to inform you that, so far from admitting the expediency of the proposed exemption from duty, the Chamber fail to see any reason for inflicting upon the State a loss of revenue for which no compensation will be obtained. It seems to the Chamber that the present is a most unsuitable time for thinking of sacrificing any of the State's resources under pressure from interested and imperfectly informed foreign manufacturers, and that it would be difficult to find a tax which is felt so little by the people as that upon the fabrics referred to.

The repeal of all import duties might be expedient if the country were in a position to sustain without detriment the sacrifice of revenue; but situated as the finances now are it is more than ever expedient that financiers should leave well alone. The Chamber would refer to the various reductions which have from time to time been made in the duty on cotton yarns and goods, and would ask whe-

ther, in any instance, the manufacturers obtained any benefit thereby. It will be found in all cases that the ultimate effect was to cheapen goods in India by the amount of duty surrendered; and the present complaints of Lancashire manufacturers are sufficient answer to any argument that they have profited by an increased consumption of cheaper goods."

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## *The Secretary to the Bengal Chamber of Commerce.*

WE have the honor to inform the President and Members of the Bengal Chamber of Commerce that we have been appointed by the Government of India to enquire into, and report upon, various matters connected with the Indian Customs Tariff, and to request, with reference to your letter to the Government of India dated July 8th, 1878, that they will favor us, at their earliest convenience, with a statement showing the new valuations which, in the opinion of the Chamber, it would be desirable to substitute for the existing ones. A similar statement, furnished by the Bombay Chamber of Commerce to the Tariff Committee of 1875, will be found at page 58 of the Report of that Chamber for 1874-75.

2. We should also request the favor of your informing the Members of the Chamber that we shall be glad at any time, before the 20th instant, to confer personally with any gentleman who may wish to offer representations or suggestions upon the subject in hand, and that on appli-

cation to Mr. Maclean at the Custom House, a day and hour, mutually convenient, will be agreed upon.

We have the honor to be,
SIR,
Your most obedient servants,
T. C. HOPE,
J. D. MACLEAN,

CUSTOM HOUSE,
CALCUTTA,
*The 10th February* 1879.

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*From Chamber of Commerce to the* HONBLE T. C. HOPE, C.S.I. & J. D. MACLEAN, ESQ., *Calcutta, 28th February* 1879.

WITH reference to your letter of the 10th instant and your interview with the Committee of the Chamber on the 20th, I am instructed to submit the valuations which the Committee propose in place of the present rates for levy of duty.

As a more convenient arrangement those valuations are given in a printed copy of the tariff of 1875, side by side with those at present in force.

The Committte regret they are not in a position to furnish you with a complete statement of all the articles subject to duty, as their experience is limited chiefly to cotton manufactures and twist and some descriptions of metals; and they submit it as it is to prevent the further delay which would be involved in endeavouring to ascertain the values of the articles they have left unnoticed.

*Calcutta, 21st February* 1879.

WITH reference to our interview yesterday with the Committee of the Chamber, we shall be much obliged by your informing us whether the Chamber of Commerce formally agree to the proposal that the average market prices of all articles assessed for customs duty upon a tariff valuation shall be ascertained to the best of his ability by the Collector of Customs and published by him monthly in the *Commercial Guide*, and that within ten days from the date of each such publication the Secretary to the Chamber shall either point out to the Collector, for prompt investigation and mutual settlement, any errors which may appear to exist, or intimate that the Chamber accept the prices as a fair settlement of the state of the market.

We may add that the proposal is made with the view to the establishment of suitable records upon which to make an annual revision of tariff values, as suggested in your letter to the Secretary to the Government of India dated July 8th 1878.

(Signed.) T. C. HOPE,
J. D. MACLEAN.

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*From Chamber of Commerce to the* HON'BLE T. C. HOPE, C.S.I. & J. D. MACLEAN, ESQ., *Calcutta, 25th February* 1879.

THE Committee of the Chamber of Commerce instruct me to acknowledge the receipt of your letter of the 21st instant, and to say that the arrangement proposed for verifying the average market prices of all articles assessed for customs duty is entirely in accordance with the understanding arrived at at their interview with you last Thurs-

day, and that they confirm the arrangement expressed in your letter with the view to an annual revision of tariff valuations, as suggested in their letter of 8th July 1878 to the Government of India.

## THE FACTORY BILL.

THE enquiries which your Committe made in regard to the proposed factory legislation left no doubt on their minds that it is wholly uncalled for, and that the result of any attempt to force it upon the country would create very general dissatisfaction The mill-owners were unanimously opposed to the Bill. There was, so far as the Committee could ascertain, no complaint on the part of the operatives; and the public generally, both Native and European, who are not directly interested in mill industry, appeared to regard any interference with the existing system as altogether unnecessary. Your Committee, agreeing with what seemed to them the universal judgment of the community, addressed the Government, setting forth the grounds of their opposition to the proposed Bill, and to the principle of restrictive legislation as regards labour contracts, in a letter, copy of which will be found below.

*From Government of Bengal to Chamber.*
*Calcutta, the 28th November 1878.*

I AM directed to forward herewith copies of the papers noted in the margin, and to request that the Lieutenant-Governor may be favoured with any remarks and suggestions which the Chamber may wish to offer, after giving the subject their fullest consideration, on the provisions of the Bill to regulate labour in factories, which it is proposed to pass into law in India.

(1) Letter from Government of India, Department of Revenue, Agriculture, and Commerce No. 1 dated 4th November 1878, and enclosure.
(2) Resolution recorded by this Government on the above, dated 28th November 1878.

I am to invite special attention to the remarks recorded by this Government on the Bill, as contained in the Resolution forwarded.

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*From Government of India, to Government of Bengal.—No. 1, dated Simla, the 4th November 1878.*

I AM directed to forward the draft of a Bill to regulate labour in factories, which it is proposed to pass into law, and to draw special attention to the fact that the Act will probably affect numerous Government factories.

2. It will be noticed that clause (*f*) of section 2 is incomplete; and I am to request, that, with the permission of His Honor the Lieutenant-Governor, you will be good enough to state, for the information of the Government of India, what manufactures and processes would appropriately come under that clause.

3. In the absence of any general system of registering births, difficulties will doubtless be experienced in determining the age of a child or young person; and I am to

enquire how His Honor the Lieutenant-Governor would suggest that these could best be met in practice.

4. I am also to ask what His Honor the Lieutenant-Governor would propose in regard to the payment of Inspectors to be appointed under the Act. It will be observed that the Bill as drawn contains no provision for any funds for this purpose.

5. I am to add that the Bill in its present shape is merely tentative, and that the Government of India will be glad to receive the fullest criticism on all and every point connected therewith.

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RESOLUTION.

*Read letter from the Government of India, Department of Revenue, Agriculture, and Commerce, No. 1, dated 4th November 1878, together with its enclosure—the Factories Bill, 1878.—Calcutta, the 28th November 1878.*

THE Government of India, in forwarding for opinion the Factories Bill, 1878, draw special attention to the fact that the Act will probably affect numerous Government factories. This Government is then asked to state at length the manufactures and processes which should be brought within the scope of the Bill; and, with reference to the absence in India of any general system of birth registration, suggestions are invited as to how the difficulties which are likely to be felt in determining the age of a child or young person, as defined in the Bill, can best be met. Information is also required on the question of providing the necessary funds for paying the Inspectors, while the fullest criticism is invited on the provisions of

the Bill generally. The Lieutenant-Governor having considered the Bill, desires the following observations to be recorded on it with the view of directing the attention of the several officers under this Government, whose duty it will be to report upon the Bill, to certain points which appear of importance in connection with the question of Factory Legislation for India.

2. Special attention should be given to the question of age and the mode of determining it. Under the English Acts, the Inspectors appoint "certifying surgeons," and no occupier of a factory can employ a child or young person unless the latter has a certificate from such "certifying surgeon," or other qualified medical practitioner, that he has the ordinary strength and appearance of a child or young person of at least the minimum age prescribed by the Act: that he is believed by the certifying officer to be at least of that age; and that he is not incapacitated by disease or bodily infirmity from working daily in the factory in question for the time allowed by the Act. The surgeon's fees are paid by the employer under regulations laid down partly in the Act and partly by the Inspectors. The Inspectors have power to annul such certificates if they have reason to doubt their correctness, or if they find the child too weak to labour. Employers or parents may avoid penalties by proving the "real" age of the child to be other than it appears. Similar provisions might probably be introduced in this country. The fees to a native assistant surgeon or even to a civil surgeon for age certificates need not be heavy. The certifying officer might visit the factory on stated days in order to give certificates or appoint certain hours for granting these at his own house, so that no real obstruction to work would be interposed by

such a plan. The opinions of officers are invited upon this point. They are of course at liberty to suggest any other mode of determining age that occurs to them.

3. The Inspectors in Great Britain are paid from the general revenues, and they may possibily have to be so paid in this country. It may not improbably be urged that the Government cannot fairly tax the trades for inspections which are only called for in the interest of general public morality and policy. The Lieutenant-Governor will, however, be glad to receive the opinions of the various officers of Government on the question of the desirablity or otherwise of levying fees to cover the costs of inspection.

4. The following matters provided for in the English Acts seem also to deserve consideration, and officers are invited to remark upon them :—

(1) The proprietors of factories or shops affected by the Act should apparently be bound to send notice of the fact to the Inspectors, and be liable to penalty for not doing so. Otherwise much time and trouble will be spent in preliminary investigations.

(2) Under the English Acts, the Inspectors have power to order actions to be brought for compensation to persons injured by accident. This provision would apparently give very effective protection to employés ignorant of the civil liability of employers who neglect to comply with the provisions of the law.

(3) Provisions seem to be required for enforcing ventilation and sanitary arrangements in factories and shops.

(4) The English Acts provide for the education of the children, prohibit night-work, and secure a weekly day of rest. Whether such provisions are necessary or desirable in India is open to doubt.

(5) It will also have to be considered whether section 11 of the Bill gives sufficient power to make rules on all necessary points. The English Acts provide specifically for the maintenance of registers in factories; give the Inspectors definite powers of entry and inquisition, and of insisting upon proper clocks and notices of hours of work; they also provide for the settlement of the question whether machinery is dangerous or not when the fact is disputed; as well as for many other matters left apparently to local rules in the Indian Bill.

5. The Lieutenant-Governor desires that Government officers reporting upon the Bill will communicate freely with the owners of factories and wrokshops within their jurisdiction which are likely to be affected by the Bill, and so obtain, as far as possible, suggestions and criticisms from them. District officers will also report fully to what trades and manufactures in their respective districts the law should be made to apply.

ORDER.—Ordered, that this Resolution, together with copies of the Bill, be referred to all Commissioners of Divisions for report in consultation with their district

officers. Also for report to the Commissioner of Police, Calcutta, and for critical examination and opinion to the Legal Remembrancer, and to the Assistant Secretary to this Government in the Legislative Department. The Chamber of Commerce, the Trades Association, and the British Indian Association will also be invited to favour the Lieutenant-Governor with their remarks upon the Bill. The Public Works Department of this Government in the General, Irrigation, and Railway Branches, will be requested to report upon the Bill with special reference to the factories or workshops under them.

By order of the Lieutenant-Governor of Bengal,

A. MACKENZIE,

*Secretary to the Govt. of Bengal.*

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*From Chamber to Government of Bengal,*

*Calcutta, 22nd February* 1879.

The Committee of the Chamber of Commerce desire me to acknowledge the receipt of your letter, No. 4074 of the 28th November 1878, forwarding copies of a Bill to regulate labour in factories and of a Resolution passed by the Government of Bengal regarding it.

The Committee direct me to inform you that they have given their very careful attention to the important subject of your reference, and that the conclusions at which they have deliberately arrived are expressed in the following observations on the character of the proposed measure, and are submitted for the consideration of the Government.

1. That all artificial or legislative action, which has for its purpose the curtailment of labour, cannot reduce the sum of the labour without reducing the satisfaction which all honest effort is capable of giving; for it appears manifest that, if production be reduced, and the cost thereby raised, labour to the extent of the difference in cost must be undergone before the articles that are produced can be purchased. This additional, or new, labour must fall, in the last instance, upon the poorest part of the community, who will be compelled to work harder or longer so as to earn the augmented cost of the article. The pain of the labour will be transferred from the factory boy to the child of the ryot; and as the labour of the field is not so productive as that of the factory, the burden thrown upon the child of the ryot will be greater than that from which the factory lad is relieved.

2. That the length of time occupied at work is of itself an insufficient test to determine whether the labour is oppressive or otherwise. The intensity with which the effort is applied is an essential factor in such a question. The character and habits of the mill operatives in this country indispose them to earnest endeavour in the prosecution of the work entrusted to them, but their lack of persistency is partially met by the ease with which they can continue at work for many hours together. The effective energy of the English workman is approximately three times that of the native operative, and hence it is necessary to employ in a mill in India—at all events in Bengal—about three times the number of hands that are required in a similar establishment in England. The physical and mental force exerted in the two cases being in the proportion of 3 to 1, it will follow that 3 hours

labour of an English workman is equivalent to that of 9 hours of a native workman; and, although the waste of strength may not be in the same ratio, it may be safely asserted that the Indian workman suffers no more inconvenience from work leisurely performed over the usual hours of labour in this country, than the English workman suffers from labour during the usual hours of work in England.

3. That the hours of work in Indian factories are not too prolonged for the reasonable comfort, health, and general well-being of the hands may be inferred from the fact that the mills in France, Germany and Switzerland are worked with the same set of operatives from eleven to twelve hours, and in Russia fifteen hours, daily.

4. That it is the interest of the mill-owner to engage hands that are fitted for the work. Strong, muscular, big-boned lads are not so well adopted for mill work as the lithe light-built boy of active temperament and keen perception, who, in his turn, is less fitted for the drudgery of field work; and the latter is accordingly drawn from toil for which he is not suited to a kind of labour that gives congenial exercise to the faculties with which he is endowed. Apart from the direct benefit which the factory system yields in the employment of labour, there is the special advantage of its employing that kind of faculty which is least useful in the only other channel open to it.

5. That it is the interest of the mill-owner to engage hands that are healthy, and to maintain them in good health. The sanitary arrangements in connection with the mill premises are generally as complete as the circumstances will permit. 1*st*.—The mills are situated in

large and isolated compounds. *2nd.*—In Bengal they are situated on the banks of the Hooghly from which an inexhaustible supply of good water can be obtained. *3rd.*—In the compounds themselves tanks of pure water are generally provided, and other tanks for bathing purposes and for washing culinary vessels are occasionally found. *4th.*—Except in stormy weather and in the cold mornings of December and January the windows of the mills are thrown open and perfect ventilation is thereby obtained. *5th.*—A native doctor is constantly on the premises to attend to all cases of sickness that may arise, or accidents that may happen, and a European surgeon or physician visits the mills once a week at least to advise with the resident practitioner in all serious cases of illness.

6. That the occupation is one which is, by contrast, favorable to the health of the operatives is an assertion not demonstrable, we admit, on *a priori* grounds, but experience and observation show that the assertion is nevertheless correct. That the conditions of mill life are the best possible agencies for promoting healthy and prolonged human existence is a statement which is not maintainable and not needed to be maintained. But in contrast with the conditions in which the hands were placed before they became mill operatives, the new circumstances of mill life are undoubtedly such as to beget a healthier, a more comfortable, and more enjoyable life. The fact that the wages of the workpeople are much larger than those which they earned, or could earn, otherwise, is, of itself, a strong reason for coming to such a conclusion. There can be little doubt that the misery, the disease, and the large proportion of deaths per 1,000 of the population in India

are due to the poverty of large masses of the people The poorest districts of Calcutta are precisely those in which deaths are most frequent. The mill operatives are the waifs and strays of the poorest section of the people ; and when these are drawn from the noxious conditions that exist in *Bustee* life, and are brought within the influences of the sanitary arrangements which characterize the mill premises, and earn the means of providing themselves with abundance of good food, it will not perhaps be regarded as a fanciful deduction that the physical well-being of these people is not deteriorated, but, on the contrary, promoted, by the factory system as it now exists in India.

7. The sympathy which is growing up between native workpeople and their employers is a consideration of some importance. But the sympathy is one of a brittle nature. Where a mutual benefit is derivable, such as accrues in transactions between buyer and seller, or in engagements between master and servant in domestic life, and employer and employé in industrial life, a kindly feeling for each other insensibly grows and leads to a higher and better condition in the social life of nations. But just because this feeling springs from the fact of a mutual benefit, it is always readily disturbed by a belief that the service is more on one side than another. When a difference does arise the best remedy is in the free and untrammeled negotiation of the parties themselves. But the Factory Bill will introduce third parties into the relationship. When the operatives learn that Government has deemed it necessary to send officials to protect them from the exactions of their employers, it will be an easily derived conclusion that they need protection. Suspicion and dislike will follow, and all the bitter consequences of distrust

will take the place of the juster and kindlier feelings which flow from a perfectly free and unconstrained relationship.

8. That the manufacturing industry in this country was, to some extent at least, entered upon from the encouragement afforded by the fact that it was, and would continue to be, unimpeded by restrictive laws. The proposed Bill will not only disappoint those who trusted to the continued advantage of unmolested labour, but it will throw a burden upon the industry at a time when it is struggling for bare existence. The industry has accepted willingly the circumstances, favourable or unfavourable, into which it has cast itself. But to impose upon it the same regulations as are imposed upon the mills in England, would, in our judgment, be followed by certain, though perhaps lingering, destruction; and it would be undesirable to legislate at a time when the principle of such legislation is so strongly questioned at home. The mills here have their own special disadvantages to cope with, in the unskillfulness of the hands and in their natural inertness; and to deprive the mills of the chief advantages remaining to them in the earlier maturity of their hands, and of longer hours of work, appears to be as unjust as as it is unwise. It is as unreasonable to require that the hours of labour in the India mills shall be no longer than in England, as to demand that the labour in the English mills shall be no more efficient than with us.

9. That if the proposed Bill pass into law with age test as one of the clauses great difficulty will be met in working the clause. Much difficulty was experienced in working this part of the Factory Act in Scotland until the Registration of Births Act was sufficiently long in force

to enable the question of the persons age to be determined by the certificate of birth. The persons were passed into the mills as of legal age under the sanction of the certifying Surgeon, but in many cases the Inspector refused to confirm the Surgeon's certificate; and as the final decision of this point rested with the Inspector, much loss and inconvenience arose from many of the young employés being turned out of the mill after one, two, or three months, service. There is no registration of births at all in India for the purpose of determining age. Appearance is a most uncertain test, and it would be found in practice that persons would be refused in one district and passed in another.

10. Some enquiry has been made as to the effect of the mill system upon the village life of the people in a district from which a considerable number of hands are drawn, and the reply is to the following effect:—

"A cultivating family of the working class is not able "to pay its way from the little farm alone. Some, if not "all, of the members must make up the deficiency by "the sale of their labour elsewhere, or become the helpless "handservants of the village Mahajun. Before the "opening of the various manufacturing establishments, at "the rates for labour then prevailing in the villages, the "efforts of the whole of the family, on the farm and off "it, would barely keep them out of debt. Now, if only "one of the members has regular employment at the "mills, the gap in the family income is closed. Since the "mills were established the poor people are earning their "livelihood in a better way, especially those who have no "lands. Formerly children from 8 to 12 years were found

"begging from door to door in every village. Now-a-days "the system of begging has almost ceased, owing to the "children getting sufficent money by working in the mills."

11. The Chamber cannot vouch for the perfect accuracy of the foregoing statement, but the Committee have no reason to doubt its general correctness. But if it be a fairly truthful picture of the effect of the mill system upon the village life of the country in the districts influenced by it, and the Committee believe it to be so, it would appear to them that the system ought not to be interfered with.

12. Even if it were shewn that it is a disadvantage to children and young persons to be at work longer than the hours stated in the proposed Bill, the question would not be settled. The question is one of comparative advantage:—whether it would be better for children and young persons to continue their work upon the present footing, or to have their hours of work curtailed and *their wages reduced.* It appears to be a most unfortunate time to solve such a question by experiment. Food stuffs are abnormally high. The struggle for existence among the poorer classes is a severe one, and to expose any section of them to the risk of reduced earnings is exposing them to the risk of all the miseries of penury and an insufficient supply of the bare necessaries of life. It would be a mistake, the Committee believe, under ordinary circumstances, to prevent the persons proposed to be affected by the Bill from earning all they can earn, or choose to earn, but it would be no less than a calamity to many at the present time to impose upon them such a restriction as that contemplated by the Bill.

18. There may be some instances where factory children and young persons are treated harshly and kept too closely at work. But similar instances might be cited in most other occupations and even in the family life. Apart from the consideration that it seems to be inexpedient to apply a general law to meet exceptional cases, there is the other consideration, that the harsh and improper treatment cannot last long, for those persons who are subjected to it will naturally seek employment in the mills where just treatment and a considerate regard for their welfare are features in the mill management.

14. That if the Government still deem it needful to proceed with the Bill, it should first appoint a competent commission to enquire whether any evil that is remediable by legislative enactment exists; and if so, whether the proposed Bill will be a suitable remedy.

## HOSPITAL AND MARINE DUES.

THE correspondence with the Bengal Government on the subject of Hospital Dues and Marine charges, has resulted in the appointment of a Committee to enquire into the accounts, and also into the working of the Port in so far as it is still under the management of the Government. The preliminary investigation of the Government has shown that such an enquiry is needed. Inaccuracies and discrepancies have been found in the accounts to so great an extent as to render them

unintelligible and quite unreliable. The work of a previous Committee was rendered comparatively abortive by the opposition of its official members to any enquiry into the dockyard accounts, upon the ground that such an enquiry formed no part of the reference that was made to them. One of our late presidents, Mr. J. C. Murray, was one of the Committee, and he entered his protest against the ruling of the majority. The instructions to the Committee this time are of the fullest character, and it is to be hoped that the inquiry will be as complete and as searching as the Government evidently desire it to be.

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*From Government of Bengal, to Chamber.*

*Calcutta, the 3rd January* 1879.

I AM directed to acknowledge the receipt of your letters dated the 22nd June and 1st July 1878,* inviting attention to the charges levied on the shipping of the port as Hospital Dues, and making certain suggestions as to the disposal of the Hospital Port Dues' Fund.

2. In reply, I am to point out that the statements contained in your letter of the 1st July are based upon defective information as to the actual facts of the case. It is true that a considerable unexpended balance has been allowed to accumulate, and that the causes for this accumulation do not appear on the face of the published

* *Published in Chamber's last Report.*

accounts of the fund. I am to explain, however, that for some time past the system on which the charges for sick seamen have been recovered from the Hospital Port Dues' Fund by the Superintendents of the several hospitals has been most defective, and that in fact the larger proportion of these expenses has been paid not by the fund to which they should properly have been charged, but by the general revenues. So far then from the aggregate charges for sick seamen being excessively heavy, as is represented by you, they have fallen short of the proper amount, and the large balance which has arisen from this cause is one which should not have been allowed to accumulate. It would have been open to the Government under these circumstances to have applied the unexpended balance in meeting the back charges which formed a heavy burden on Provincial Funds. But instead of insisting upon this, the Lieutenant-Governor preferred to utilize a portion of the balance in works for the improvement of the hospitals and the treatment of the sick, and to allow the rest to remain to meet deficits in the annual income as far as possible. That the grant made to the Hospital Nurses' Fund was not unfairly charged to Port Dues, will appear from the fact, that fully 50 per cent. of the patients in the General Hospital were seamen, and that large numbers were also treated in the Medical College Hospital. That grant only supplemented the large permanent expenditure which Government already incurs on account of the hospital nurses, and it was calculated to enhance the utility of their work in a marked degree.

3. The Committee are doubtless aware that this Government has for some time been occupied with a care-

ful revision and reorganization of the expenditure in the Calcutta hospitals. One main result of these measures will be that all charges for the treatment of sick seamen, which legitimately fall upon the Hospital Port Dues' Fund, will be debited to it in future, and this will materially alter the position of the fund. Under the improved system, which has now been introduced, it is estimated that the hospital charges for sick seamen will in future amount to nearly Rs. 60,000 annually, while the receipts of the fund will vary from Rs. 60,000 to Rs. 65,000. The expenditure permanently sanctioned as a charge upon the fund is Rs. 21,336 a year; so that in future it may be anticipated that the expenditure will exceed the receipts, and the unexpended balance, which amounted on the 31st of March last to Rs. 98,490-5-3, will gradually disappear.

4. With reference to the suggestion made in the 6th paragraph of your letter, I am to explain that the work of the Port Health Officer is strictly confined to the port itself. No portion of the area with which he deals falls within municipal limits, nor are any of his duties such as could be performed by the Health Officer of the municipality. At the time when the appointment of a Port Health Officer was under consideration, it was proposed to extend the jurisdiction of the Health Officer of the municipality so as to include the port. But the proposal was negatived by the Lieutenant-Governor on the ground that the work of the port was too heavy to be entrusted to the Municipal Health Officer, and because it was desirable to place that work in the hands of an independent officer, who should be subordinate only to the Sanitary Commissioner of Bengal.

5. In reply to the concluding paragraph of your letter, I am to say that the duties at present discharged by the Port Health Officer are sufficiently onerous to occupy his entire time, and that it is not clear of what work, other than work connected with the port, the Committee would wish him to be relieved. It is understood that until recently three medical men were engaged in practice among the shipping, and it is out of the question to expect that the Port Health Officer would be able to take the place of these gentlemen.

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*From Chamber to Government of Bengal.*
*Calcutta, 25th January* 1879.

THE Committee of the Chamber of Commerce desire me to acknowledge the receipt of your letter No. 15, of the 3rd instant, and to thank you for the information it communicates regarding the unexpended balance at credit of the Hospital Port Dues' Fund to which they drew attention on the 1st July last.

The Committee direct me to state that the representation submitted by them was based upon the return published in the Government Gazette which was assumed to give a correct statement of that Fund. But they now learn from your reply that their reference was made upon information defective as to the actual facts of the case; that although a considerable balance had been allowed to accumulate, the causes for that accumulation did not appear on the face of the accounts as published; and that an imperfect system of recovering charges for sick seamen

had led to the Fund exhibiting erroneously a large credit balance, which, however, under an improved method of keeping the accounts would gradually disappear, as the annual receipts would probably be exceeded by the annual charges added to an expenditure hitherto met by provincial funds.

The Committee admit that, under the explanation elicited by their inquiry, the position of the Hospital Dues' Fund as originally represented is materially altered; at the same time they cannot but regret that they were led to make their representation upon an official return which is now declared to have been imperfectly rendered.

The Committee, however, cannot divest themselves of a strong impression that the Calcutta Port Dues, generally, are capable of considerable reduction, and that a revision of the charges levied and of expenditure incurred would justify their belief that a lower scale of dues may be adopted without impairing the efficiency of the marine establishment.

The subject is one which, at the present time of general depression of trade, has a special interest for all connected with the shipping business of Calcutta. The Committee desire me therefore to ask you for the figures upon which your letter under reply was written, and also for statements of the other receipts and expenditure of money collected from the shipping.

The Indian Ports Act, XII of 1875, provides for the publishing of certain accounts, but there are others which equally concern the shipping interest, of which no statements are made public. Foremost among these is the

Pilotage Fund. The Committee learn from the Administration Report of the Port Commissioners that the Pilotage Dues are collected by them on behalf of Government, and it records that during the past year nearly 11 lakhs of rupees were handed over to Government as collections on account of pilotage alone. Of the expenditure of this large sum no account is given, but the Committee trust they may be favored with full information in reply to this application, not only as to the expenditure of the Hospital and Pilotage Dues, but also of all collections made from the shipping since the date when the said collections were entrusted tothe Port Commissioners.

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*From the Government of Bengal to Chamber.*

*Calcutta, the 7th April* 1879.

I AM directed to acknowledge the receipt of your letter dated the 25th January 1879, in which you ask (1) for the figures upon which the letter of Government No. 15 of 3rd January last was written, and (2) for statements of the other receipts and expenditure of money collected from the shipping.

2. In reply to your first request, I am desired to state that the average numbers of seamen daily treated at the General Medical College, and Howrah Hospitals during the last three years were as follows :—

| Year. | General Hospital. | Medical College Hospital. | Howrah Hospital. |
|---|---|---|---|
| 1876 | ... 74 | 12·07 | 17¼ |
| 1877 | ... 114 | 23·88 | 26½ |
| 1878 | ... 130 | 18·16 | 22 |

The payment authorized to be made from the Hospital Port Dues' Fund for seamen treated at any of the above-

mentioned institutions is now at the rate of one rupee a day per head. Previously, however, to April 1877, the Howrah Hospital drew at the rate of 13 annas a day for every seaman received in that hospital. The amounts payable to the hospitals during the last three years were accordingly :—

| | 1876. | 1877. | 1878. |
|---|---|---|---|
| General Hospital ... | 27,010 | 41,610 | 47,450 |
| Medical College ... | 4,405 | 8,716 | 6,628 |
| Howrah Hospital ... | 5,115 | 9,220 | 8,030 |
| Total ... | 36,530 | 59,546 | 62,108 |

It will thus appear that the estimate formed in paragraph 3 of this Government letter, No. 15 of 3rd January 1879, that the future charges against the Hospital Port Dues Fund, on account of the treatment of seamen in the hospitals, would be about Rs. 60,000 annually, was within the mark. In addition to charges on account of the treatment of seamen in the hospitals, the Fund will have in future to bear the cost of insane seamen received in the Bhowanipore Asylum, under orders of Government dated the 8th February 1879. Seamen attacked with small-pox have hitherto been treated in the Campbell Hospital at Sealdah without any charge. That hospital, however, now claims to be paid for these men at the rate authorized for the treatment of seamen at other hospitals. The Medical Committee have recommended that this expenditure be allowed, and the question is under consideration in the Medical Department of this Office.

3. With reference to your second request, I am to forward the accompanying copies* of Marine Budgets for 1878-79, and 1879-80, with the Government Resolutions thereon,

* Four enclosures in all.

and to remark that although, owing to the exceptional influx of shipping during the Madras famine, port receipts were, during the last two years, abnormally high, so far from the receipts being on the whole excessive, it is with the greatest difficulty, and only by the most summary retrenchments, that the receipts and expenditure under Marine can be made to balance. There is no reserve in hand to meet the cost of replacing either pilot vessels or light vessels, and the financial position of the Port Fund is so very unsatisfactory that the Lieutenant-Governor has only recently appointed a Committee to enquire thoroughly into the possibility of strengthening financial checks and reducing expenditure. There is no probability whatever of any reduction of port dues being possible. A copy of the Government Resolution, dated the 19th March 1879, appointing the Marine Committee is herewith appended for the information of the Chamber.

## PROVINCIAL MARINE BUDGET FOR 1878-79.

No. 2369C, dated Calcutta, the 14th January 1878.
Memo. by D. BARBOUR, ESQ., Offg. Accountant-General, Bengal.
FORWARDED to the Secretary to the Government of Bengal, Financial Department.

*Government of Bengal, Civil Estimate from 1st April 1878 to 31st March 1879.*

### XV.—MARINE.

| Receipts. | Budget estimate, 1878-1879. | Sanctioned estimate, 1878-79. | Budget estimate, 1877-78. | Actuals, 1876-77. | | Regular estimate, 1877-78. | Actuals for 6 months, 1877-78. | Explanatory Remarks. |
|---|---|---|---|---|---|---|---|---|
| | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. | |
| Pilotage receipts .. .. ... | 8,00,000 | 8,00,000 | 7,93,000 | 9,44,360 | ..... | 7,93,000 | 4,65,722 | Based on the average of the past three years. The large receipts in 1876-77 cannot be expected to recur, being due to the unusual influx of shipping consequent on the famine in Madras. |
| Registration and other fees .. | 22,000 | 22,000 | 22,000 | 23,721 | ..... | 22,000 | 10,802 | |
| | | | 8,15,000 | | | | | |
| MISCELLANEOUS. | | | | | | | | |
| Deduction for mess money .. | 16,000 | 16,000 | 17,000 | 15,449 | ..... | | | Reduced with reference to actuals of past year. |
| Port receipts .. .. ... | 2,38,000 | 2,38,000 | 2,38,000 | 2,77,380 | ..... | | | The figures of the present year are reproduced, the large receipts in 1876-77 being due to the unusual influx of shipping on account of the famine in Madras. |
| Contribution to Life-boat Establishment at Goalundo ... | 300 | 300 | ..... | ..... | 300 | 2,65,000 | | |
| Other items ... ... ... | 10,700 | 10,700 | 14,000 | 11,508 | ..... | | | Reduced with reference to actuals. |
| Total .. | ..... | ..... | 2,69,000 | 3,04,337 | 300 | 2,65,000 | 1,55,052 | |
| Total Marine ... | 10,87,000 | 10,87,000 | 10,84,000 | 12,72,718 | 300 | 10,80,000 | 6,31,576 | |
| | | | | 12,72,718 | | | | |

Net increase in 1878-79—Rs. 3,000

# Provincial Marine Budget for 1878-79.

No. 2418C., dated Calcutta, the 23rd January 1878.

Memo. by D. Barbour, Esq., Officiating Accountant-General, Bengal.

Forwarded to the Secretary to the Government of Bengal, Financial Department.

*Government of Bengal, Civil Estimate from 1st April 1878 to 31st March 1879.*

Grant 18.—Marine.

| Expenditure. | Budget estimate, 1878-79. | Sanctioned grants in round numbers, 1878-79. | Budget estimate, 1877-78. | Increase. | Decrease. | Actuals, 1876-77. | | Regular estimate, 1877-78. | Actuals for eight months, 1877-78. | Explanatory Remarks. |
|---|---|---|---|---|---|---|---|---|---|---|
| | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. | |
| Master Attendant, Marine Establishments, and Dockyard .. .. ... | 21,000 | 20,600 | 20,238 | 762 | .. | 19,801 | .. | 20,000 | 9,823 | |
| State Yacht Establishment .. | 4,376 | 4,360 | 4,376 | .. | .. | 11,576 | .. | 4,800 | 3,924 | |
| Pilotage, Pilot Establishments, and Vessels ... | 6,40,919 | 6,43,000 | 6,50,463 | .. | 9,544 | 7,27,027 | .. | 6,80,000 | 3,62,322 | |
| Light-houses and Light-ships | 8,060 | 8,060 | 7,540 | 520 | ... | 7,453 | .. | 7,500 | 4,809 | |
| Building and repairs of ships | 2,88,787 | 1,35,000 | 1,35,236 | 1,53,551 | .. | .. | .. | 1,35,000 | ... | |
| Victuals purchased in the country for crews of ships and vessels .. .. | 26,810 | 26,810 | 32,500 | ... | 5,690 | .. | .. | 32,500 | .. | |
| Coals purchased in the country. Coal and Steam Agencies, &c. .. ... | 4,1900 | 36,000 | 20,000 | 24,900 | .. | . | .. | 20,000 | ... | |
| Miscellaneous .. ... | 2,51,648 | 2,36,570 | 2,21,621 | 29,237 | .. | 1,82,601 | ... | 2,11,000 | 1,03,693 | |
| | | | 790 | .. | .. | .. | 1,083 | | | |
| Rents, rates, and taxes .. | 6,500 | 6,600 | 6,210 | 290 | .. | .. | 6,652 | 6,500 | 3,230 | |
| | | | | | | 9,48,458 | 7,735 | | | |
| Total Grant 18, Provincial ... | 12,92,000 | 11,17,000 | 10,98,974 | 2,09,260 | 15,234 | 9,56,193 | | 11,17,000 | 4,87,801 | |

Nett increase in 1878-79—Rs. 1,94,026.

| | Budget estimate, 1878-79. | | Sanctioned grants 1878-79. | | Budget estimate, 1877-78. | | Actuals, 1876-77. | | Regular estimate, 1877-78. | Actuals for eight months, 1877-78. | Explanatory Remarks |
|---|---|---|---|---|---|---|---|---|---|---|---|
| MASTER ATTENDANT, MARINE ESTABLISHMENTS AND DOCKYARD. | Rs. | Rs. | | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. | |
| MASTER ATTENDANT'S DEPARTMENT. | | | | | | | | | | | |
| Marine Court .. .. | 3,900 | | 3,500 | | 3,500 | | 3,378 | | 3,500 | 1,693 | |
| Shipping Master .. .. | 17,100 | | 17,100 | | 16,738 | | 16,423 | | 16,500 | 8,130 | |
| Total Master Attendant's Department ... ... | | 21,000 | | 20,600 | | 20,238 | | 19,801 | 20,000 | 9,823 | |
| STATE YACHT ESTABLISHMENT.. .. ... | 4,376 | | 4,376 | | 4,376 | | 11,576 | | 4,500 | 8,924 | |
| | | 4,376 | | 4,376 | | 4,376 | | 11,576 | | | |
| PILOTAGE, PILOT ESTABLISHMENTS, AND VESSELS. | | | | | | | | | | | |
| Branch Pilots .. .. | 28,200 | | 28,200 | | 28,200 | | 31,042 | | | 14,928 | |
| Master Pilots. Subsistence allowance to—when sick, on leave, or other detached duty | 10,000 | | 10,000 | | 20,520 | | | | | 154 | Reduced with reference to actuals and probable requirements. |
| | | 38,200 | | 38,200 | | 48,720 | | 31,042 | | 15,082 | |
| Allowances to licensed Leadsmen .. .. | 16,800 | | 16,800 | | 24,000 | | 7,473 | | | 3,623 | Reduced with reference to probable requirements. |
| Lead money to Volunteers ... | 10,000 | | 10,000 | | 10,000 | | 11,096 | | | 5,600 | |
| Pilotage allowances, Free List | 2,92,700 | | 2,92,700 | | 3,50,000 | | 3,84,452 | | | 1,88,570 | A reduction of 5 per cent. made on the present year's allotment. |
| Pilotage allowances, Licensed List .. .. .. | 1,61,500 | | 1,61,500 | | 1,10,000 | | 1,81,452 | | | 94,130 | Increased with reference to actual requirements. |
| | | 4,81,000 | | 4,81,000 | | 4,94,000 | | 5,84,320 | | 2,91,923 | |

| Detail. | Local estimate, 1879-80. | | Accountant-General's estimate, 1879-80. | | Sanctioned grants, 1879-80. | | Sanctioned estimate, 1878-79. | | Actuals, 1877-78. | Regular estimate, 1878-79. | Actuals for six months 1878-79. | Explanatory Remarks. |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| *Pilot Vessels.* | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. | |
| "Coleroon" ... ... | 16,908 | | 16,908 | | 16,908 | | 16,908 | | 16,606 | | 8,451 | |
| "Cassandra" .. .. | 16,908 | | 16,908 | | 16,908 | | 16,908 | | 15,238 | | 8,072 | |
| "Chinsurah" .. .. | 16,908 | | 16,908 | | 16,908 | | 16,908 | | 17,245 | | 9,562 | |
| Extra crew for pilot vessels | 3,486 | | 3,486 | | 3,486 | | 3,486 | | 3,470 | | 2,024 | |
| Reserve vessls .. | 1,840 | | 1,840 | | 1,84 | | 1,840 | | 1,758 | | 745 | |
| Steamer "Undaunted" .. | 27,408 | | 27,408 | | .... | | 27,608 | | 27,358 | | 16,401 | |
| Ditto "Celerity" ... | .. ... | | ..... | | ..... | | 11,451 | | 6,018 | | 2,394 | The large amount entered by the port office is for cost of water, which the ordinary provision for contingencies is sufficient to cover. |
| Contingencies .. | 3,670 | | 2,622 | | 2,622 | | 2,571 | | 2,033 | | 650 | |
| | | 87,128 | | 86,080 | | 58,672 | | 97,680 | 89,126 | | 48,299 | |
| *Mess, Passage and Miscellaneous.* | | | | | | | | | | | | |
| Mess money of Pilots .. | 16,000 | | 16,000 | | 16,000 | | 16,000 | | 15,927 | | 8,192 | |
| Passage money of Pilots.. | 4,000 | | 4,000 | | 4,000 | | 5,200 | | 3,709 | | 4,841 | Reduced with reference to actuals. |
| Miscellaneous .. | 600 | | 600 | | 600 | | 600 | | 604 | | 2,100 | |
| | | 20,600 | | 20,600 | | 20,600 | | 21,800 | 20,240 | | 15,133 | |
| Surgeon at Sandheads .. | | 4,320 | | 4,320 | | 4,320 | | 4,820 | 4,426 | | 2,180 | |
| Total Pilotage, Pilot Establishment, &c... ..| | 7,34,848 | | 6,35,000 | | 6,07,192 | | 6,43,000 | 7,34,273 | 6,50,000 | 3,03,448 | |

| Detail. | Local estimate, 1879-80. | | Accountant-General's estimate, 1879-80. | | Sanctioned grants, 1879-80. | | Sanctioned estimate, 1878-79. | | Actuals, 1877-78. | Regular estimate, 1878-79. | Actuals for six months, 1878-79. | Explanatory Remarks. |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **LIGHT-HOUSES.** | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. | | Rs. | |
| *Light-house at False Point.* | | | | | | | | | | | | |
| Superintendent ... ... | 2,400 | | 2,400 | | 2,400 | | 2,400 | | | | | |
| Assistant .. .. ... | 840 | | 840 | | 840 | | 840 | | 3,176 | | 1,792 | |
| Native Doctor .. .. | 300 | | 300 | | 300 | | 300 | | | | | |
| Tindals, lascars & bhistee | 4,000 | | 4,000 | | 4,000 | | 4,000 | | 4,020 | | 1,967 | |
| Contingencies .. ... | | | 404 | | 404 | | 520 | | | | | The provision for repairs seems to be intended for work done by the Public Works Department, and is therefore omitted. |
| Repairs ... .. ... | 2,000 | | .... | | ..... | | .... | | .... | | ... | |
| New lanterns .. .. ... | 20,000 | | 20,000 | | 30,000 | | ..... | | .... | | .... | It is proposed to obtain new lanterns from England. |
| Service Postage Stamps .. | .... | | .... | | .... | | .... | | 7 | ..... | 3 | These charges have hitherto been adjusted under the head of timber and stores, &c. |
| Cost of Stores ... .. | 2,065 | | 2,000 | | 2,000 | | ..... | | 180 | | .... | |
| Dockyard, service, &c. .. | | | | | | | | | 1,797 | | | |
| Total .. | | 31,605 | | 29,944 | | 39,944 | | 8,060 | 9,180 | 19,000 | 3,762 | |
| **BUILDING & REPAIRS OF SHIPS.** | | | | | | | | | | | | |
| Lieut.-Governor's yacht ... | 11,045 | | | | ..... | | | | 2,726 | | .... | The provision for the present year was intended for all vessels but those belonging to the port, approaches have now been taken under that head. |
| Pilot vessels .. .. | 53,685 | | 64,000 | | 38,955 | | 1,35,000 | | 69,048 | | | |
| Miscellaneous work done outside the dockyard .. | .... | | | | | | | | 6 | | | |
| Steam launch *Fannie* .. | .... | | .... | | 500 | | ... | | .... | | .... | |
| Total .. | | 64,730 | | 64,000 | | 39,455 | | 1,35,000 | 71,780 | 72,000 | .... | |

## GRANT 20.—MARINE. (*Continued.*)

| Detail. | Local estimate, 1879-80. | | Accountant-General's estimate, 1879-80. | | Sanctioned grants, 1879-80. | | Sanctioned estimate, 1878-79. | | Actuals, 1877-78. | Regular estimate, 1878-79. | Actuals for six months, 1878-79. | Explanatory Remarks. |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **VICTUAL FOR CREWS OF SHIP AND VESSELS.** | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. | |
| For *Fannie* ... ... | .... | | ..... | | 180 | | | | | | | |
| For Pilot Vessels ... ... | 12,331 | | 12,000 | | 8,145 | | 26,810 | | 9,893 | | ..... | |
| For Lieutenant-Governor's State Yacht ... ... | 2,855 | | | | .... | | | | .... | | | See remark under "building and repairs of ships." |
| Total ... | | 15,186 | | 12,000 | | 8,325 | | 26,840 | 9,893 | 10,000 | .... | |
| **COALS SUPPLIED TO SHIPS AND VESSELS.** | | | | | | | | | | | | |
| Steam launch *Fannie* ... | .... | | ..... | | | | 36,000 | | 19,359 | .... | ..... | Reduced partly with reference to actuals and partly by transfer to "Port Approaches" of the provision for "river survey vessels." |
| Pilot Vessels ... ... | 29,760 | | 22,000 | | 11,500 | | | | .... | .... | 68 | |
| Lieutenant-Governor's State Yacht ... ... | ..... | | | | ..... | | | | | | | |
| | | 29,760 | | 22,000 | | 14,500 | | 36,000 | 19,359 | 20,000 | 68 | |
| **TIMBER, STORES, &c.** | | | | | | | | | | | | |
| Steam launch *Fannie* ... | ..... | | | | | | | | 26,072 | | | |
| Pilot Vessels ... ... | 27,571 | | 27,000 | | 19,000 | | | | 2,458 | .... | .... | Included under "building and repairs of ships" this year. |
| Lieutenant-Governor's State Yacht ... ... | .... | | | | ..... | | ..... | | | | | |
| Total ... | .... | 27,571 | | 27,000 | | 19,000 | | | 28,530 | 29,000 | .... | |

## GRANT 20—MARINE. (*Concluded.*)

| Detail. | Local estimate, 1879-80, | | Accountant-General's estimate, 1879-80, | | Sanctioned grants, 1879-80, | | Sanctioned estimate, 1879-80, | | Actuals, 1877-78, | Regular estimate, 1878-79, | Actuals for six months, 1878-79, | Explanatory Remarks, |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| MISCELLANEOUS. | | | | | | | | | | | | |
| Mooring hire for sea-going and inland vessels .. | 30,240 | | 30,240 | | 20,000 | | .... | | ..... | | ..... | These items have been hitherto incorrectly included "under Calcutta Port Approaches." |
| Harbour-master's fees for sea-going and inland vessels .. ... .. | 3,500 | | 3,500 | | 3,500 | | .... | | ..... | | .... | |
| Life-boat Establishments, Goalundo ... .. .. | .... | | 796 | | 796 | | 796 | | 807 | | 458 | |
| Shipping fees and sundries | 700 | | 6,000 | | 6,000 | | 6,000 | | 5,514 | | 596 | Includes Rs. 25,000 for repairs, stores and provisions shown here for the first time. |
| Purchase of Service Postage Stamps .. .. .. | 60 | | 160 | | 160 | | 60 | | 180 | | 59 | |
| Mutlah Port approaches .. | 40,250 | | 40,000 | | 30,000 | | 14,780 | | 24,663 | | 125 | |
| Calcutta ditto .. ... | 3,99,142 | | 3,62,000 | | 3,05,122 | | 2,13,536 | | 331,402 | | 84,772 | Details will be found in appendix. The increase is chiefly on account of repairs, victuals, coal and stores, being taken as part of the cost of each vessel, &c., instead of being included under those minor heads, as heretofore. Nothing being known as to the extent of repairs and stores required by each vessels, the figures of the port officer have been generally entered. |
| Morelgunge Port charges | 200 | | 200 | | 200 | | 200 | | ..... | | .... | |
| Fees to masters of merchant vessels for sitting on Courts of Enquiry .. | 600 | | 400 | | 400 | | 400 | | .... | | .... | |
| Miscellaneous ... ... | 2,005 | | 2,160 | | 2,160 | | 798 | | 1,847 | | 328 | |
| | | 4,42,957 | | 4,45,456 | | 3,68,338 | | 2,36,570 | 3,64,413 | 3,65,000 | 86,383 | |
| Total, Miscellaneous .. | | 4,42,957 | | 4,45,456 | | 3,68,338 | | 2,36,570 | 3,64,413 | 3,65,000 | 86,383 | |

| Numbers 1877-78 | Numbers 1878-79 | | Budget estimate, 1878-79. Rs. | Rs. | Sanctioned grants, 1878-79. Rs. | Rs. | Budget estimate, 1877-78. Rs. | Rs. | Actuals, 1876-77. Rs. | Rs. | Regular estimate 1877-78. Rs. | Actuals for eight months, 1877-78. Rs | Explanatory Remarks. |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | MASTER ATTENDANT, MARINE ESTABLISHMENTS, AND DOCKYARD. | | | | | | | | | | | |
| | | *Marine Court.* | | | | | | | | | | | |
| 1 | 1 | Judge .. .. | 2,400 | | 2,400 | | 2,400 | | 2,400 | | | | |
| 1 | 1 | Prosecutor .. .. | 900 | | 900 | | 900 | | 900 | | | | |
| | | Fees to Master Mariners for sitting in Court of Enquiry ... | 416 | | ..... | | .... | | ..... | | | | |
| | | Contingencies .. | 184 | | 200 | | 200 | | 78 | | | | A new charge, sanctioned in letter from Government of Bengal, No. 3528 dated 22nd December 1877. |
| | | | | 3,900 | | 3,500 | | 3,500 | | 3,378 | 3,500 | 1,693 | |
| | | *Shipping-Master.* | | | | | | | | | | | |
| 1 | 1 | Shipping-master .. | 6,695 | | 6,695 | | 6,456 | | 6,195 | | | | |
| 1 | 1 | Deputy Shipping-Master ... .. | 4,612 | | 4,612 | | 4,492 | | 4,360 | | | | Progressive annual increments. |
| | | Examiners paid out of examination fees | 400 | | 400 | | 446 | | 840 | | | | |
| 7 | 7 | Office establishment | 4,308 | | 4,308 | | 4,389 | | 3,877 | | | | |
| 8 | 8 | Servants .. .. | 468 | | 468 | | 468 | | 518 | | | | Annual increment of head clerk against a vacancy filled up on the minimum pay of the grade. |
| | | Contingencies .. | 617 | | 677 | | 496 | | 633 | | | | Provision increased to meet cost of certificates issued to passed candidates. |
| | | Total Shipping-Master | | 17,100 | | 17,100 | | 16,733 | | 16,423 | 16,500 | 8,130 | |

DETAIL NO. II. *(Concluded.)*

| | Budget estimate, 1878-79. | | Sanctioned grants, 1878-79. | | Budget estimate, 1877-78. | | Actuals, 1876-77. | | Regular estimate, 1877-78. | Actuals for eight months, 1877-78. | Explanatory Remarks. |
|---|---|---|---|---|---|---|---|---|---|---|---|
| STATE YACHT ESTABLISHMENT. | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. | |
| CHIEF PORT. | | | | | | | | | | | |
| Lieutenant-Governor's Yacht *Rhotas* and Bhotio .. ... | 4,376 | 4,376 | 4,376 | 4,376 | 4,376 | 4,376 | 11,576 | 11,576 | 4,500 | 3,924 | |

ROYAL ASIATIC SOCIETY LIBRARY OF THE BOMBAY BRANCH

## CALCUTTA PORT APPROACHES.

*Budget Estimate of Expenditure for* 1878-79.

| Abstract of Expenditure. | Budget estimate. | |
|---|---|---|
| | 1878-79. | 1877-78. |
| Light-vessels ... ... ... ... ... | 69,504 | 57,536 |
| Light-houses ... ... ... ... ... | 9,081 | 6,941 |
| River Surveying Vessels ... ... ... ... | 51,466 | 32,626 |
| "Dolphin," Buoy Vessel ... ... ... ... | 15,720 | 15,948 |
| "Vulcan," Anchor Vessel ... ... ... ... | 5,448 | 5,448 |
| Row-boats ... ... ... ... ... ... | 5,676 | 10,452 |
| Tidal Semaphores ... .. ... ... ... | 3,589 | 1,435 |
| Bholios ... ... ... ... ... ... | 1,920 | 2,376 |
| Miscellaneous ... ... ... ... ... | 61,910 | 63,238 |
| Total Calcutta ... ... | 2,24,314 | 1,96,000 |

*Resolution—By the Government of Bengal, Financial Department.—Dated Calcutta, the 9th February* 1878.

READ—Memoranda No. 2369E., dated the 14th January, and No. 2418E., dated the 23rd January 1878, from the Accountant-General, submitting the Budget Estimates of Provincial Receipts and Expenditure of the Marine Department for 1878-79.

RECEIPTS.

UNDER the Financial Resolution No. 1899, dated the 29th March 1877, the following Marine receipts were surrendered to the Government of Bengal for an annual payment of Rs. 10,84,000, viz:—

| | Rs. |
|---|---|
| Pilotage receipts ... ... | 7,93,000 |
| Registration and other fees ... | 22,000 |
| Deduction for mess money ... | 17,000 |
| Port receipts ... ... | 2,38,000 |
| Other items ... ... | 14,000 |
| Total ... | 10,84,000 |

The Accountant-General estimates these receipts for 1878-79, including a small sum of Rs. 300 on account of the Goalundo life-boat, at Rs. 10,87,000; the estimate shows a net increase of Rs. 3,000, and is accepted.

EXPENDITURE.

| | Rs. |
|---|---|
| 2.—The grant made by the Government of India to meet the Marine charges recently transferred to Provincial control amounts to | 10,92,000 |

And the grant made by the Government of Bengal in 1877-78 for charges hitherto provincial, and now entered in this estimate amounts, to ... 7,000*

| | | |
|---|---|---|
| * Rent, rates and taxes | ... | Rs. 6,210 |
| Goalundo life-boat | ... | „ 790 |
| Total | | „ 7,000 |

Total ... 10,99,000

The estimate now submitted by the Accountant-General provides for an expenditure of Rs. 12,93,000, as will be seen from the following table :—

| | Accountant-General's estimate 1878-79. | Sanctioned grant, 1877-78. |
|---|---|---|
| | Rs. | Rs. |
| Marine establishment ... | 21,000 | 20,238 |
| State Yacht establishment ... | 4,376 | 4,376 |
| Pilotage, pilot establishment and vessels ... ... | 6,40,919 | 6,50,463 |
| Light-house and light-ships... | 8,060 | 7,540 |
| Building and repairs of ships | 2,88,787 | 1,35,236 |
| Victuals purchased in the country for crews of ships and vessels .. ... | 26,810 | 32,500 |
| Coal purchased in the country | 44,900 | 20,000 |
| Miscellaneous ... ... | 2,51,648 | 2,22,411 |
| Rent, rates, and taxes ... | 6,500 | 6,210 |
| Total ... | 12,93,000 | 10,98,974 |

3. *Marine Establishments*:—The only items of expenditure under this head which have been transferred to Provincial Government are "Marine Court" and "Shipping Master." The grants for these items for the current

year amount to Rs. 3,500 and Rs. 16,738 respectively. For 1878-79 the Accountant-General has provided Rs. 3,900 for the "Marine Court" and Rs. 17,100 for the "Shipping Master." The increase in the former case is owing to a sum of Rs. 400 being provided for "Fees to masters of merchant vessels for sitting on Courts of Inquiry." But as this item has nothing to do with the "Marine Court," which is simply a court for the trial of pilots, the charge which has been sanctioned by Government should be transferred to, and shown under the head of, "Miscellaneous." The grant for "Marine Court" will then be Rs. 3,500, or the same as the estimate for the current year. The estimate for "Shipping Master" is accepted. The total grant "Provincial Marine Establishments" will be Rs. 20,600.

4. The Accountant-General's estimate for the "*State Yacht Establishment*," which is the same as the current year's grant, is accepted: the grant will be Rs. 4,360.

5. *Pilotage, Pilot Establishment and Vessel.*—A provision of Rs. 6,40,919 is made under this head for 1878-79, against the sactioned grant of Rs. 6,50,463 for 1877-78, showing a decrease of Rs. 9,544. But the Port Officer has asked for a further provision of Rs. 2,160 for additional establishments required to be employed in the pilot vessels on account of increase of work in the port. He has also asked for the inclusion under this head of Rs. 10,000 for fitting up the *Kedgeree* as a hulk for the Pilot Service, and of Rs. 1,644 for the establishment to be attached thereto. The first item is represented to be actually necessary and is passed, but the fitting up of the *Kedgeree* will not be necessary this year.. The Accountant-General's estimate of Rs. 6,40,919 will accordingly be raised by

Rs. 2,160 only, and the grant under this head will be Rs. 6,43,079, or, in round numbers, Rs. 6,43,000.

6. The Accountant-General's figures (Rs. 8,060) under the head of "*Light-houses and Ships*" are accepted.

7. *Building and Repairs of Ships.*—Under this head the Accountant-General has provided Rs. 1,38,787 for building and repairs of vessels under the local Government, against the sanctioned grant of Rs. 1,35,236 for the current year. As the annual expenditure on this account for the last five years never exceeded Rs. 1,35,236, and as the Accountant-General has assigned no reasons for the proposed increase, the estimate is reduced to Rs. 1,35,236. Under this head a further sum of Rs. 1,50,000 is entered to provide for the cost of building a light-vessel to replace the *Star*, which has been sent to British Burmah to mark the Krishna Shoal. This item should not appear in the Bengal Provincial Estimate. The *Star* must either be returned by the British Burmah Administration, or the cost of building a new vessel to take her place be borne by that province. The total grant under head of "Building and Repairs of Ships,' will therefore be Rs. 1,35,236, or, in round numbers, Rs. 1,35,000.

8. The Accountant-General's estimate of Rs. 26,810 for *Victuals purchased in the country for crews* is passed. His remark, however, that the cost of the provisions for the crew of the Hooghly Survey Service is included in the figures, is not understood. This, it appears, is really included under the head of "Crew," and not under thishead.

9. *Coals purchased in the country.*—The cost of coals for 1878-79 has been estimated at Rs. 44,900 against

Rs. 20,000, the current year's grant. The Accountant-General has included under this head the cost of coals for the river survey steamers. The entry under *Port Approaches* it is understoord, represents the establishment of these steamers, including victuals, but excluding coals. The estimated cost of coals for the river survey is under Rs. 16,000; the total grant under this head will, therefore, be reduced to Rs. 36,000.

10. *Miscellaneous.*—Under this head the Accountant-General has provided Rs. 10,700 for "Shipping Fees and Sundries," against the sanctioned grant of Rs. 10,561 for the current year. As the average actual expenditure for six years, 1871-72 to 1876-77, has been only Rs. 5,794, a provision of Rs. 6,000 will be sufficient for next year. For the "Calcutta Port Charges" a provision of Rs. 2,24,314 is made, against the sanctioned grant of Rs. 1,96,000 for the current year, as will be seen from the following table :—

| | Accountant-General's estimate, 1878-79. | Sanctioned grant, 1877-78 |
|---|---|---|
| | Rs. | Rs. |
| Light-vessels ... ... | 69,504 | 57,536 |
| Light-houses ... ... | 9,081 | 6,941 |
| River surveying vessels ... | 51,466 | 32,626 |
| *Dolphin* Buoy vessel ... | 15,720 | 15,948 |
| *Vulcan* Anchor vessel ... | 5,448 | 5,448 |
| Row-boats ... ... | 5,676 | 10,452 |
| Tidal Semaphores ... | 3,589 | 1,435 |
| Bhowlios ... ... | 1,920 | 2,376 |
| Miscellaneous ... ... | 61,910 | 63,238 |
| Total ... | 2,24,314 | 1,96,000 |

The Lieutenant-Governor would reduce the Accountant-General's estimate to Rs. 2,13,536, thus :—

| | Rs. |
|---|---|
| Light-vessels ... ... ... | 69,504 |
| Light-houses ... ... ... | 6,941 |
| River surveying vessels ... ... | 44,076 |
| Buoy vessel ... ... ... | 15,492 |
| Anchor vessel ... ... ... | 5,448 |
| Row-boats ... ... ... | 4,656 |
| Tidal Semaphores ... ... ... | 3,589 |
| Bhowlios ... ... ... | 1,920 |
| Miscellaneous .. .. ... | 61,910 |
| Total ... | 2,13,536 |

The Accountant-General's estimates under the other sub-heads of "Miscellaneous" are passed. The provision of Rs. 796 for the Goalundo Life-boat Establishment under the head of "Miscellaneous," Provincial, is accepted. The sum of Rs. 400, sanctioned for "Fees to masters of merchant vessels for sitting on Courts of Enquiry," should also be shown under this head.

11. A sum of Rs. 6,500 is provided for the office rent of the Port Officer for 1878-79; but looking to the actuals of 1879-77, which amounted to Rs. 6,652, the Lieutenant-Governor would raise the Accountant-General's estimate to Rs. 6,600.

12. With reference to the above remarks, the grants for 1878-79 will be as follow :—

| | Sanctioned grant 1878-79 Rs. |
|---|---|
| Marine establishment ... | 20,600 |
| State Yacht establishment .. | 4,360 |

| | | |
|---|---|---|
| Pilotage, pilot establishment and Vessels... | | 6,43,000 |
| Light-houses and light-ships | ... | 8,060 |
| Building and repairs of ships | .. | 1,35,000 |
| Victuals purchased in the country for crews | | 26,810 |
| Coals purchased in the country | ... | 36,000 |
| Miscellaneous | .... | 2,36,570 |
| Rents, rates, and taxes | ... | 6,600 |
| Total | ... | 11,17,000 |

ORDER—Ordered, that a copy of the Resolution, with a copy of the Budgets, be forwarded to the Port Officer of Calcutta, to the General Department of this office, and to the Accountant-General, for information.

Ordered also, that a copy be submitted to the Government of India in the Financial Department for information.

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Nos. 511-14.

COPY forwarded to

By order of the Lieutenant-Governor of Bengal,
A. MACKENZIE,
*Secretary to the Govt. of Bengal.*

CALCUTTA;
FINANCIAL DEPT.—*Finance,*
*The 9th February* 1878.

*Calcutta, the 3rd March* 1879.

RESOLUTION.

READ—A letter from the Accountant-General, Bengal, No. 939C, dated the 31st January 1879, submitting the budget estimate of Provincial receipts and expenditure of the Marine Department for 1879-80.

RECEIPTS.

The Accountant-General estimates the Provincial receipts of the Marine Department for 1879-80 at Rs. 11,50,000 against Rs. 10,87,000, the sanctioned estimate, and Rs. 12,00,000, the revised estimate, for the current year. The estimate shows an increase of Rs. 63,000 over the estimate of 1878-79 and is accepted.

EXPENDITURE.

2. The following table compares the Accountant-General's estimate of expenditure for 1879-80 with the sanctioned grant for the current year :—

| | Accountant-General's estimate, 1879-80. | Sanctioned grant 1878-79. |
|---|---|---|
| | Rs. | Rs. |
| Marine Establishment ... | 75,000 | 27,200 |
| State Yacht Establishment... | 5,600 | 4,360 |
| Pilotage, Pilot Establishment, and Vessels ... | 6,35,000 | 6,43,000 |
| Light-houses ... ... | 29,944 | 8,060 |
| Building and repairs of ships ... ... | 64,000 | 1,35,000 |
| Victuals of crews of ships and vessels ... ... | 12,000 | 26,810 |
| Coals supplied to ships and vessels ... ... | 22,000 | 36,000 |

| | | | |
|---|---|---|---|
| Timbers, stores, &c., purchased in the country | ... | 27,000 | ..... |
| Miscellaneous ... | ... | 4,45,456 | 2,36,570 |
| Total | ... | 13,16,000 | 11,17,000 |

3. *Marine Establishment.*—Under this head the Accountant-General provides an expenditure of Rs. 75,000 against Rs, 27,200, the sanctioned grant for the current year. The increase in 1879-80 is due to provision being made in the budget on account of charges for the Port Officer, Calcutta, and his establishment,, which have been made over to Provincial control under the Resolution of the Government of India in the Financial Department No. 2752, dated the 19th December 1878, with an increase of Rs. 49,192 to the Provincial allotment. It has been pointed out by the Accountant-General that the grant made by the Government of India does not include the cost of contingencies of the office, which has been estimated to amount to Rs. 5,000 per annum. The Accountant-General's estimate is allowed to stand; but the General Department of this Office will be requested to move the Government of India to increase the grant for the "Port Officer and his establishment" by Rs. 5,000 to cover the contingent expenditure.

4. *State Yacht Establishment.*—Under the orders of the Government of India in the Marine Department, No. 61, dated the 8th January 1879, and the instructions contained in the orders of this Government of the General Department, No. 139, dated the 3rd instant, the "Pay of crew and contingencies of the Lieutenant-Governor's State Yacht," for which a sum of Rs. 5,600 has been,

provided, will be a charge on the Imperial revenues, The item should accordingly be expunged from the budget, but in its place provision should be made for the establishment of the steam launch *Fannie*, the cost of which will be Rs. 936 per annum. The expenditure on account of "Coal," "Other stores," "Repairs," &c., &c., of this launch will be separately provided for under the proper heads.

5. *Pilotage, Pilot Establishment, and Vessels.*—Under this head the Accountant-General has provided Rs. 26,400 for "Allowances to Licensed Leadsmen" against Rs. 16,800, the grant for the current year. The Accountant-General has accepted the local estimate, on the ground that there are 20 Leadsmen, and that 2 more are expected from England in 1879. But as in fact there are only 15 Leadsmen Apprentices at present, and 6 more will be appointed in 1879, a provision of Rs. 26,000 will be sufficient, and the estimate will accordingly stand at that amount.

The provision of Rs. 27,408 for the steamers *Undaunted* and *Celerity* under the sub-head "Pilot vessels," should be expunged from the budget in consequence of the Government orders quoted in paragraph 4 of this Resolution under which they have been made a charge on the Imperial revenues.

The estimate for "Pilotage, Pilot Establishments, and Vessels," will accordingly stand at Rs. 6,07,192.

6. *Light-houses.*—Under this head the Accountant-General's estimate of Rs. 20,000 for "New lanterns" should be raised to Rs. 30,000, and the total grant for the head will stand at Rs. 39,944.

7. *Building and Repairs of Ships, and victuals of crew, &c.*—For the reasons stated in paragraph 4, page 128, the items of Rs. 11,045 for the repairs of the Lieutenant-Governor's yacht, and Rs. 2,855 for victuals of crew of the same, should be struck out, and a provision of Rs. 500 and Rs. 180 respectively should be made in their place for the steam launch *Fannie*. The Accountant-General's estimates under these two heads are further reduced by Rs. 14,000 and Rs. 1,000 respectively. The total grant for *Buildings and Repairs* will stand at Rs. 39,455 and for *Victuals for crew, &c.*, at Rs. 8,325.

8. The Accountant-General's estimates under the heads *Coal supplied to ships and vessels*, and *Timber and stores*, are reduced from Rs. 22,000 and Rs. 27,000 to Rs. 11,500 and Rs. 19,000 respectively, and the entry, "Lieutenant-Governor's State Yacht," should be replaced by "Steam launch *Fannie*."

9. *Miscellaneous.*—Under this head the Accontaunt-General has provided Rs. 30,240 for "Mooring hire for sea-going and inland vessels." As the Port Commissioners are going to reduce the rate of mooring hire for Government vessels, the estimate is reduced to Rs. 20,000.

The provision of Rs. 40,000 for "Mutlah Port approaches" is reduced to Rs. 30,000, the reduction being in the provision for the cost of repairs, stores and provisions for the crew of the Mutlah light-vessel, for which a sum of Rs. 25.000 has been put down by the Accountant-General.

The Accountant-General's estimates of the cost of "New buoys and tidal poles," "Repairs of channel buoys," and Repairs, victuals, coals and stores for light-houses

and vessels" under "Calcutta Port approaches," amounting to Rs. 26,598, Rs. 12 000 and Rs. 1,49,652, are reduced to Rs. 15,000, Rs. 10,000, and Rs. 1,06,372 respectively.

11. The cost of repairs, victuals, coal, and stores for all the vessels is estimated at Rs. 3,01,622 against Rs. 1,97,810, the sanctioned grant for the current year. The Lieutenant-Governor believes that the expenditure on account of repairs of vessels and Dockyard stores is excessive, and a Committee will be appointed to enquire into the matter. The estimate, however, is provisionally passed, subject to the reductions aggregating Rs. 1,00,000 made in the foregoing paragraphs.

12. With reference to the above remarks, the grant for 1879-80 will be as follows:—

| | Sanctioned grants, 1879-80. |
|---|---|
| | Rs. |
| Marine Establishment ... ... ... ... | 75,000 |
| State Yacht Establishment ... ... ... | 936 |
| Pilotage, Pilot Establishments and Vessels | 6,07,192 |
| Light-houses ... ... ... ... ... | 39,944 |
| Building and repairs of ships ... ... | 39,455 |
| Victuals of crews of ships and vessels ... | 8,325 |
| Coals supplied to ships and vessels ... ... | 11,500 |
| Timbers, stores, &c., purchased in the country | 19,000 |
| Miscellaneous ... ... ... ... ... | 3,68,338 |
| Total ... | 11,69,690 |
| Add ... ... ... ... ... ... ... ... | 310 |
| Total ... | 11,70,000 |

ORDER.—Ordered, that a copy of the Resolution, with a copy of the Budget, be forwarded to the Port Officer

Calcutta, to the General Department of this Office, and t the Accountant-General, for information.

By order of the Lieutenant-Governor of Bengal,

D. BARBOUR,

*Offg. Secretary to the Govt. of Bengal.*

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COPY forwarded to

By order of the Lieutenant-Governor of Bengal,

RAJENDRA NATH MITRA,

*Asst. Secretary to the Government of Bengal.*

CALCUTTA,

*The 3rd March* 1879.

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*From* J. WESTLAND, ESQ., *Accountant-General, Bengal, to the Secretary to the Government of Bengal, Financial Department.— No.* 939*C, dated Calcutta, the* 31*st January* 1879.

IN forwarding the budget estimates of receipts and expenditure of the Marine Department for 1879-80, I have the honor to state that the figures entered therein are not so satisfactory as I could wish to lay before the Government, the estimates furnished by the Port Officer not containing sufficient detailed information to admit of criticism thereon.

The receipts for pilotage and port dues have been based by the Port Officer on the actuals of the past year, 1877-78, but as they were abnormally high owing to the influx of shipping drawn to the port by the famine in the

Madras presidency, I have revised his figures by adopting those of the present year with a slight increase which seems warranted by the receipts of the first six months.

Under expenditure the establishment of the Port Officer is included for the first time, according to the scale intimated in your letter No. 4462, dated 30th ultimo, the charge having been made provincial under the authority of the Government of India therein conveyed. I may mention that the allotment sanctioned by the Government of India does not include anything for the contingencies of the office, which may now be put down at about Rs. 5,000 per annum, recent orders of the Supreme Government requiring that all notices affecting mariners shall be published in the daily papers.

The remarks entered against the items of increase and decrease under other heads will, I trust, sufficiently explain the cause of the charges made in the new estimate, but I may state that for the expenditure connected with the dock-yard I am dependent upon the Port Officer, there being no information in this office to enable me to exercise any check thereon, as previous to 1877-78 the actuals of the charges now made provincial were not separately shown in the accounts.

The large increase under the head of Calcutta Port Approaches is due to my having included therein all the dock-yard expenditure connected with the approaches. In the estimate for the present year it was taken under the minor heads of "Building and repair of ships," "Victuals," and "Coal," where a decrease is shown, though not to an extent corresponding with the increase.

the Port Officer having asked for large amounts for repairs of vessels, boats and buoys, which I have accepted, not being in a position to know what repairs will be required, and the Port Officer explains that it is desirable to provide for the requirements of each vessel separately to facilitate reference in dealing with expenditure during the year. The only reduction I have made that calls for notice is the Port Officer's provision of Rs. 25,000 for miscellaneous stores for the Channel Buoy Department which seems unnecessary in addition to the two other amounts for buoys aggregating Rs. 38,598.

I have divided the provision for mooring hire, and Harbour-master's fees, the major part being for sea-going and inland vessels not connected with the approaches, and is therefore separately shown under the minor head of "Miscellaneous," apart from approaches.

A statement will be found appended to the estimate containing details of the expenditure under Port Approaches.

| | Budget estimate, 1878-79. | | Sanctioned grants, 1878-79. | | Budget estimate, 1877-78. | | Actuals, 1876-77. | | Regular estimate, 1877-78. | Actuals for eight months, 1877-78. | Explanatory Remarks. |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **PILOTAGE, PILOT ESTABLISHMENTS, AND VESSELS —(*Continued.*)** | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. | The Port Officer asks for an additional provision of Rs. 2,160 for four more lascars for each of the pilot vessels at Rs. 720 each, in consequence of the inefficiency of the crew to cope with the great increase of work created by the large number of vessels now frequenting the port. In the absence of Government sanction, the amount has not been entered. He has also estimated a sum of Rs. 10,000 for fitting out the *Kedgeree* as a hulk for the Pilot Service, and Rs. 1,644 for the establishment to be attached to the same; but the amount is not included in the estimate, the expenditure not having been sanctioned. |
| Pilot vessels— | | | | | | | | | | | |
| "Foam" .. .. | .. | | .... | | | | 692 | | | 400 | |
| "Coleroon" .. .. | 16,188 | | 16,188 | | 16,188 | | 17,276 | | | 6,859 | |
| "Cassandra" ... .. | 16,188 | | 16,188 | | 16,188 | | 16,781 | | | 7,390 | |
| "Chinsurah" ... ... | 16,188 | | 16,188 | | 16,188 | | 13,907 | | | 10,009 | |
| Extra crew for Pilot vessels.. | 3,486 | | 5,646 | | 3,486 | | 3,470 | | | 1,735 | |
| Reserve vessel ... .. | 1,840 | | 1,840 | | 1,840 | | 1,230 | | | 639 | |
| Steamer "Undaunted" .. | 27,608 | | 27,608 | | 27,932 | | 14,983 | | | 13,672 | |
| Steamer "Celerity" .. | 11,451 | | 11,451 | | 11,451 | | 14,883 | | | 1,663 | |
| Contingencies .. .. | 2,650 | | 2,650 | | 2,650 | | 2,491 | | | 828 | |
| | | 95,599 | | 97,759 | | 95,923 | | 85,713 | | 43,195 | |
| *Mess, Passage, & Miscellaneous.* | | | | | | | | | | | |
| Mess money of pilots .. | 16,000 | | 16,000 | | 18,000 | | 13,986 | | | 7,784 | |
| Passage money of pilots ... | 5,200 | | 5,200 | | 5,200 | | 6,264 | | | 1,938 | |
| Miscellaneous ... .. | 600 | | 600 | | 300 | | 167 | | | 8 | |
| | | 21,800 | | 21,800 | | 23,500 | | 20,417 | | 9,730 | |
| Surgeon at Sandheads ... | 4,320 | | 4,320 | | 4,320 | | 5,035 | | | 2,392 | |
| | | 4,320 | | 4,320 | | 4,320 | | 5,035 | | | |
| | | | | | | 6,66,463 | | | | | |
| Deduct probable savings .. | | | | | | 16,000 | | | | | |
| Total Pilotage, Pilot Establishments, and Vessels ... | | 6,40,919 | | 6,43,079 | | 6,50,463 | | 7,27,027 | 6,80,000 | 3,62,322 | |

| | Budget estimate, 1878-79. | | Sanctioned grants, 1878-79. | | Budget estimate, 1877-78. | | Actuals, 1876-77. | | Regular estimate, 1877-78. | Actuals for eight months, 1877-78. | Explanatory Remarks. |
|---|---|---|---|---|---|---|---|---|---|---|---|
| LIGHT-HOUSES AND LIGHT SHIPS. | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. | |
| LIGHT-HOUSE AT FALSE POINT. | | | | | | | | | | | |
| Superintendent .. ... | 2,400 | | 2,400 | | 2,400 | | | | | | |
| Assistant .. .. | 840 | | 840 | | 840 | | 3,440 | | | 1,775 | The Native Doctor is now drawing Rs. 30 a month |
| Native Doctor ... .. | 300 | | 300 | | 300 | | | | | | |
| Tindal, Lascars and Bhistee .. | .... | | .... | | | | 2,624 | | | 1,278 | |
| Half Telegraph Boat .. | 4,000 | | 4,000 | | 4,000 | | ..... | | | | |
| Contingencies ... .. | 520 | | 520 | | | | 1,389 | | | 1,756 | An additional provision for repairs to lamps, machinery, &c. |
| Total Light-houses & Light-ships | | 8,060 | | 8,060 | | 7,540 | | 7,453 | 7,500 | 4,809 | |
| BUILDING AND REPAIRS OF SHIPS. | | | | | | | | | | | |
| WAGES OF ARTIFICERS. | | | | | | | | | | | |
| Builder's Department .. | | | | | | | | | | | |
| Steam Factory ... ... | | | | | | | | | | | |
| Marine Store-keeper's Dept. .. | 1,38,787 | | 1,35,236 | | | | | | | | |
| Miscellaneous, or work done outside the Dockyard ... | | | | | | | | | | | |
| Cost of building a light-vessel to replace the *Star* sent to British Burmah ... ... | 1,50,000 | | .... | | | | | | | | |
| Total Building and Repairs of Ships .. .. .. | | 2,88,787 | | 1,35,236 | | 1,35,236 | | | 1,35,000 | | |

| | Budget estimate, 1878-79. | | Sanctioned grants, 1878-79. | | Budget estimate, 1877-78. | | Actuals, 1876-77. | | Regular estimate, 1877-78. | Actuals for eight months, 1877-78. | Explanatory Remarks. |
|---|---|---|---|---|---|---|---|---|---|---|---|
| VICTUALS PURCHASED IN THE COUNTRY FOR CREWS OF SHIPS AND VESSELS. | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. | Rs, | |
| For Light vessels .. .. | 13,025 | | 13,025 | | 20,000 | | | | | | The allotment sanctioned for transfer to Provincial Services, as detailed in paragraph 22 of letter from Government of India, Financial Department, No. 1899, dated 29th March 1877, have been entered for the regular estimate in the absence of any adjustments this year. The estimate for 1878-79 includes provision for the Hooghly Survey Service according to the scale sanctioned in letter from Government of Bengal, No. 2654, dated 13th September 1877. |
| „ Pilot „ ... .. | 12,555 | | 12,555 | | 12,500 | | | | | | |
| „ Lieut.-Governor's Yacht and Bhoilo ... .. | 1,230 | | 1,230 | | .... | | | | | | |
| Total Victuals purchased in the Country, &c. ... .. | | 26,810 | | 26,810 | | 32,500 | | | 32,500 | | |
| COALS PURCHASED IN THE COUNTRY, COAL AND STEAM AGENCIES, &c. | | | | | | | | | | | |
| Cost of coal .. .. | 44,900 | | 36,000 | | 20,000 | | | | 20,000 | | |
| | | 44,900 | | 36,000 | | 20,000 | | | | | |

| | Budget estimate, 1878-79. | | Sanctioned grants, 1878-79. | | Budget estimate, 1877-78. | | Actuals, 1876-77. | | Regular estimate 1877-78. | Actuals for eight months, 1877-78. | Explanatory Remarks. |
|---|---|---|---|---|---|---|---|---|---|---|---|
| MISCELLANEOUS. | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. | |
| Passage, freight, &c. ... ... | .... | | ..... | | .... | | .... | | | ..... | |
| Shipping fees and sundries ... | 10,700 | | 6,000 | | 10,561 | | 3,452 | | | 1,601 | |
| Expenses for preparing wreck-chart .. .. .. | ..... | | .... | | .... | | 320 | | | ..... | |
| Purchase of service postage stamps .. .. .. | 60 | | 60 | | 60 | | 136 | | | 83 | |
| Mutlah port charges .. ... | 14,730 | | 14,780 | | 14,800 | | 11,905 | | | 8,254 | |
| Calcutta ditto .. .. | 2,24,314 | | 2,13,536 | | 1,96,000 | | 1,65,881 | | | 91,626 | Increase due to the new intermediate light vessel and to the revised scale for the Hooghly Survey Service sanctioned in letter from Government of Bengal No. 2,654, dated 13th September 1877. An abstract of the expenditure on account of the port approaches is appended. |
| Morrellgunge ditto ... .. | 200 | | 200 | | 200 | | .... | | | ..... | |
| Miscellaneous ... ... ... | 798 | | 1,198 | | .... | | 795 | | | 1,656 | |
| Life-boat establishment, Goalundo .. .. ... | 796 | | 796 | | 790 | | 1,083 | | | 478 | |
| Total Miscellaneous ... | | 2,51,648 | | 2,36,570 | | 2,22,411 | | 1,82,601 | 2,10,200 | 1,03,220 | |
| RENTS, RATES, & TAXES. | | | | | | | | | | | |
| Office rent .. .. .. | 6,500 | 6,500 | 6,600 | 6,600 | 6,210 | 6,210 | 6,652 | 6,652 | 6,500 | 3,230 | |

# BENGAL, PROVINCIAL SERVICES BUDGET ESTIMATE OF RECEIPTS FOR 1879-80.

## XVI.—MARINE.

| Receipts. | Local estimate, 1879-80. | | Accountant General's estimate, 1879-80 | | Sanctioned estimate, 1879-80. | | Sanctioned estimate, 1878-79. | | Actuals, 1877-78. | Regular estimate 1878-79. | Actuals for 6 months 1878-79. | Explanatory Remarks. |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. | |
| Pilotage receipts ... | | 10,79,500 | | 8,50,000 | | 8,50,000 | | 8,00,000 | 10,74,869 | 8,75,000 | 4,01,920 | The local estimate is based on the actuals of 1877-78 which were exceptionally high owing to the unusual influx of shipping caused by the famine in Madras. I have therefore adopted the figures for the present year, taking a small increase with reference to the probable realizations of the year. |
| | | | | | | | | | | | — | |
| Registration and other fees | | 28,421 | | 24,000 | | 24,000 | | 22,000 | 26,683 | 25,000 | 10,799 | |
| MISCELLANEOUS. | | | | | | | | | | | | |
| Deductions for mess money ... ... | 15,000 | | 15,000 | | 15,000 | | 16,000 | | 14,817 | | 7,855 | Slightly increased with reference to actuals. |
| Port receipts .. ... | 3,28,000 | | 2,50,000 | | 2,50,000 | | 2,38,000 | | 3,27,500 | 3,00,000 | 1,26,049 | See remark against the head of pilotage receipts. |
| Contributions to life-boat establishment at Goalundo ... ... | .... | | 300 | | 300 | | 300 | | ... .. | | 300 | |
| Other items ... ... | 7,907 | | 10,700 | | 10,700 | | 10,700 | | 13,554 | | 4,655 | |
| | | 3,50,907 | | 2,76,000 | | 2,76,000 | | 2,65,000 | | | | |
| | | | | | | | | | 3,55,871 | .... | 1,38,859 | |
| Total, Marine ... | | 14,58,828 | | 11,50,000 | | 11,50,000 | | 10,87,000 | 14,57,423 | 12,00,000 | 5,51,578 | |

Net increase in 1879-80.—Rs. 63,000.

# Bengal Provincial Services Budget Estimate of Expenditure for 1879-80.

## Grant 20. Marine.

| Expenditure. | Budget estimate. 1879-80. | Budget estimate. 1878-79. | Sanctioned estimate 1879-80. | Increase. | Decrease. | Actuals, 1877-78. | Regular estimate, 1878-79. | Actuals for six months, 1878-79. | Explanatory Remarks. |
|---|---|---|---|---|---|---|---|---|---|
| | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. | |
| Marine Establishments .. .. .. .. | 75,000 | 27,200 | 75,000 | 47,800 | ..... | 85,080 | 78,000 | 11,417 | |
| State Yacht Establishments ... ... .. | 5,600 | 4,360 | 936 | 1,240 | .... | 7,384 | 6,000 | 2,798 | |
| Pilotage, Pilot Establishments and Vessels .. | 6,35,000 | 6,43,000 | 6,07,192 | .... | 8,000 | 7,34,273 | 6,50,000 | 3,03,448 | |
| Light-houses .. ... ... ... ... | 29,944 | 8,060 | 39,944 | 21,884 | ..... | 9,130 | 9,000 | 3,762 | |
| Building and repairs of ships .. .. .. | 64,000 | 1,35,000 | 89,455 | .... | 71,000 | 71,780 | 72,000 | .... | |
| Victuals for crews and of ships and vessels .. | 12,000 | 26,810 | 8,325 | ..... | 14,810 | 98,893 | 10,000 | .... | |
| Coals supplied to ships and vessels ... .. | 22,000 | 36,000 | 11,500 | .... | 14,000 | 19,359 | 20,000 | 68 | |
| Timber, stores, purchased in the country .. | 27,000 | .... | 19,000 | 27,000 | ..... | 28,530 | 29,000 | ..... | |
| Miscellaneous .. ... ... ... .. | 4,45,456 | 2,36,570 | 3,68,338 | 2,08,886 | ..... | 3,64,413 | 3,65,000 | 86,338 | |
| | 13,16,000 | 11,17,000 | 11,69,690 | 3,96,816 | 1,07,810 | 13,29,892 | 12,39,000 | 4,10,091 | |
| Add ... | ..... | .... | 310 | | | | | | |
| Total Grant 20 .. | 13,16,000 | 11,17,000 | 11,70,000 | | | | | | |

Net increase in 1879-80, Rs. 1,99,000.

| Detail. | Local estimate, 1879-80. | | Accountant-General's estimate, 1879-80. | | Sanctioned grant, 1879-80. | | Sanctioned estimate, 1878-79. | | Actuals, 1877-78. | Regular estimate, 1878-79. | Actuals for six months, 1878-79. | Explanatory Remarks. |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. | |
| MARINE ESTABLISHMENTS. | | | | | | | | | | | | |
| PORT OFFICER. | | | | | | | | | | | | |
| Salary of Port Officer with house rent .. .. | 21,000 | | 16,800 | | 16,800 | | | | 12,945 | | 8,400 | |
| Assistant Port Officer .. | 21,000 | | 9,000 | | 9,000 | | | | | | 5,900 | |
| Personal Assistant .. | 6,000 | | ..... | | ..... | | | | | | | |
| | | 48,000 | | 25,800 | | 25,800 | | | | | | |
| *Establishment.* | | | | | | | | | | | | |
| Head Clerk and Registrar | | | | | | | | | 38,729 | | 9,648 | Revised scale of establishments sanctioned and charged transferred to Provincial Services in letter from Government of India, Financial Department No. 2752 of 19th December 1878. The actuals of 1877-78 have been entered in red ink for ready comparison. |
| Clerk and servants .. | | 10,560 | 4,800 | | 4,800 | | | | | | | |
| | | | 11,592 | | 11,592 | | | | | | | |
| | | | | 16,392 | | 16,392 | | | | | | |
| *Contingent Charges.* | | | | | | | | | | | | |
| Office rent ... .. .. | 6,600 | | | | | | | | | | | |
| Office expenses and miscellaneous .. .. ... | | | 6,600 | | 6,600 | | 6,600 | | 6,526 | | 3,260 | |
| Service Postage Stamps .. | 4,550 | | 4,550 | | 4,550 | | .... | | 5,036 | | 2,422 | |
| Supplies from dockyard .. | 1,308 | | 658 | | 658 | | .... | | 318 | | 87 | |
| | .... | | ..... | | ..... | | .... | | 839 | | .... | |
| | | 12,458 | | 11,808 | | 11,808 | | 6,600 | | | 5,769 | |
| Total, Port Officer .. | | 71,018 | | 54,000 | | 54,000 | | 6,600 | 57,867<br>6,526 | 57,000 | 29,717 | |

## MARINE COURT,

| Numbers 1877-78 | Numbers 1879-80 | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | 1 | Judge .. | 2,400 | | 2,400 | | 2,400 | | 2,400 | | 3,300 | | 1,630 | |
| 1 | 1 | Prosecutor .. | 900 | | 900 | | 900 | | 900 | | | | | |
| | | Contingencies .. | 200 | | 200 | | 200 | | 200 | | 170 | | 41 | |
| | | | | 3,500 | | 3,500 | | 3,500 | | 3,500 | 3,470 | | 1,671 | |
| | | *Shipping Master.* | | | | | | | | | | | | |
| 1 | 1 | Deputy Shipping Master .. | 6,320 | | 6,320 | | 6,320 | | 6,695 | | 11,171 | | 5,396 | The permanent incumbent is on leave, and will not return until November 1879. |
| 1 | 1 | Assistant Shipping Master .. | 4,732 | | 4,732 | | 4,732 | | 4,612 | | | | | Annual increment. |
| | | Examiners paid from fees ... | 800 | | 1,000 | | 1,000 | | 400 | | 1,046 | | 672 | Increased with reference to actuals. Under present arrangements sanctioned by Government, each examiner is allowed Rs. 32 for each examination without reference to the receipts from fees. |
| 7 | 7 | Office establishment .. | 4,356 | | 4,356 | | 4,356 | | 4,303 | | 4,578 | | 2,793 | |
| 8 | 8 | Servants .. | 504 | | 504 | | 504 | | 468 | | | | | |
| | | Contingencies .. | 600 | | 588 | | 588 | | 617 | | 372 | | 843 | Annual increment. |
| | | Service Postage Stamps ... | ..... | | ..... | | .... | | .. | | 26 | | 21 | The sanctioned scale has hitherto not been drawn in full, but in consequence of the difficulty in getting servants an increase becomes necessary. |
| | | Cost of stores ... | ..... | | .... | | .... | | ..... | | 24 | | 21 | |
| | | | | 17,312 | | 17,500 | | 17,500 | | 17,100 | 17,217 | | 9,746 | |
| | | Total Marine Court .. | | 20,812 | | 21,000 | | 21,000 | | 20,600 | 20,687 | 21,000 | 11,417 | |
| | | Total, Marine Establishments ... | | 91,830 | | 75,000 | | 75,000 | | 27,200 | | 78,000 | 41,134 | |

| Detail. | Local estimate, 1879-80. | | Accountant-General's estimate, 1879-80. | | Sanctionedgrant, 1879-80. | | Sanctioned estimate, 1878-79. | | Actuals, 1877-78. | Regular estimate, 1878-79. | Actuals for six months. 1878-79. | Explanatory Remarks. |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| STATE YACHT ESTABLISHMENT. | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. | |
| Pay of crew and contingencies of the Lieutenant-Governor's State Yacht .. ... .. | .... | 4,376 | | 5,600 | | .... | | 4,360 | 7,384 | | 2,798 | |
| Cost of establishment of the *Fannie* .. .. | .... | .... | .... | .... | | 936 | | ..... | .... | | ..... | |
| Total State Yacht Establishment ... | | 4,376 | | 5,600 | | 936 | | 4,360 | 7,384 | 6,000 | 2,798 | No provision has been made by the Port Officer for the steam launch "Fannie" attached to the yacht. |
| PILOTAGE, PILOT ESTABLISHMENTS AND VESSEL. | | | | | | | | | | | | |
| Branch Pilots .. .. | 26,400 | | 26,400 | | 26,400 | | 28,200 | | 33,353 | | 17,091 | |
| Subsistence allowance to Master and Mate Pilots, when sick, on leave, &c. | 15,000 | | 13,600 | | 13,600 | | 10,000 | | 5,056 | | 5,906 | |
| | | 41,400 | | 40,000 | | 40,000 | | 38,200 | 38,409 | | 22,997 | |
| Allowance to licensed Leadsmen ... ... | 26,400 | | 26,400 | | 26,000 | | 16,800 | | 9,138 | | 7,558 | According to the present scale of 20 Leadsmen and two expected from England next year. |
| Lead-money to Leadsmen | 5,000 | | 5,000 | | 5,000 | | 10,000 | | 7,825 | | 1,575 | Apprentice Leadsmen are not entitled to lead-money. |
| Pilotage allowances, Free list .. .. .. .. | 3,70,000 | | 2,92,600 | | 2,92,600 | | 2,92,700 | | 3,80,984 | | 1,38,629 | The figures of the present year are reproduced, as the large payments of the past two years were due to exceptional causes. |
| Ditto, Licensed list | 1,60,000 | | 1,60,000 | | 1,60,000 | | 1,61,509 | | 1,84,128 | | 67,107 | |
| | | 5,81,400 | | 4,84,000 | | 4,83,600 | | 4,81,000 | 5,82,072 | | 2,14,839 | |

## GRANT 20 MARINE—DETAILS OF CALCUTTA PORT APPROACHES.

| | Local estimate, 1879-80 | | Accountant-General's estimate, 1879-80 | | Sanctioned estimate, 1879-80. | | Sanctioned estimate, 1878-79. | | Actuals, 1877-78. |
|---|---|---|---|---|---|---|---|---|---|
| CALCUTTA PORT APPROACHES. | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. |
| *Light Vessels.* | | | | | | | | | |
| "Planet" ... ... { Commander, Officers and Crews ... ... | 13,200 | | 13,200 | | 13,200 | | 1,3200 | | 12,428 |
| "Planet" ... ... { Repairs, Stores, Provisions and Coal .. | 25,010 | | 25,000 | | 18,009 | | ..... | | 14,419 |
| "Mermaid" ... ... { Commander, Officers and Crew .. .. | 13,200 | | 13,200 | | 13,200 | | 13,200 | | 13,025 |
| "Mermaid" ... ... { Repairs, Stores Provisions and Coal .. | 46,985 | | 46,000 | | 11,500 | | ..... | | 12,262 |
| "Meteor" .. .. { Commander, Officers and Crew .. .. | 13,200 | | 13,200 | | 13,200 | | 13,200 | | 11,679 |
| "Meteor" .. .. { Repairs, Stores, Provisions and Coal .. | 24,410 | | 24,000 | | 16,620 | | ..... | | 14,398 |
| "Comet" .. .. { Commander, Officers and Crew .. .. | 13,200 | | 13,200 | | 13,200 | | 13,300 | | 12,470 |
| "Comet" .. .. { Repairs, Stores, Provisions and Coal ... | 17,440 | | 17,000 | | 11,700 | | ..... | | 11,749 |
| "Canopus" ... ... { Commander, Officers and Crew ... .. | 11,965 | | 11,964 | | 11,904 | | 11,963 | | 11,746 |
| "Canopus" ... ... { Repairs, Stores, Provisions and Coal .. | 11,820 | | 17,000 | | 7,5[illegible]9 | | ..... | | 24,763 |
| *Intermediate Light Vessels.* | | | | | | | | | |
| "Kedgeree." Reserve vessel—repairs .. .. .. .. .. | 2,500 | | 2,500 | | 1,700 | | ..... | | .... |
| Extra crew for fitting out Light Vessels .. .. .. .. .. | 3,486 | | 3,486 | | 3,486 | | 3,486 | | 3,478 |
| Fees for shipping crews .. .. .. .. .. .. ... | 650 | | 650 | | 650 | | 650 | | 1,559 |
| Contingencies .. .. .. .. .. .. .. .. .. | 600 | | 600 | | 500 | | 600 | | |
| Total, Light Vessels ... | | 1,67,669 | | 1,65,000 | | 1,36,520 | | 69,504 | 1,43,768 |
| *Light-Houses.* | | | | | | | | | |
| Saugor .. .. .. { Establishment and Contingencies .. .. | 2,486 | | 2,486 | | 2,486 | | 2,486 | | 2,377 |
| Saugor .. .. .. { Boat establishment .. .. .. ... | 3,240 | | 3,240 | | 3,240 | | 3,240 | | 2,384 |
| Saugor .. .. .. { Repairs, Stores, Provisions and Fuel .. | 6,252 | | 5,202 | | 5,202 | | (a) 1,626 | | 4,964 |
| Cowcolly .... ... { Establishment .. .. .. .. .. | 1,272 | | 1,272 | | 1,272 | | 1,215 | | 1,215 |
| Cowcolly .... ... { Repairs and Stores .. .. .. .. | 1,300 | | 800 | | 800 | | (a) 520 | | 632 |
| Total Light-Houses .. | | 14,550 | | 13,000 | | 13,000 | | 9,081 | 11,572 |

| | Local estimate, 1879-80. | | Accountant General's estimate, 1879-80. | | Sanctioned estimate, 1879-80. | | Sanctioned estimate, 1878-79. | | Actuals, 1877-78. |
|---|---|---|---|---|---|---|---|---|---|
| | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. |
| ***River Surveying Vessels.*** | | | | | | | | | |
| Steamer "Clyde" with Steam Launch .. Commander, Officers and Crew and Contingencies .. .. .. .. | 35,038 | | 32,208 | | 32,208 | | 35,038 | | 17,993 |
| .. Repairs, Stores, Provisions and Coal .. | 23,256 | | 23,000 | | 14,500 | | (*b*) 3,936 | | 9,516 |
| Steamer "Cuckoo" .. Commander, Officers and Crew .. .. | 11,724 | | 9,954 | | 9,954 | | 11,724 | | 9,880 |
| .. Repairs, Stores, Provisions and Coal .. | 4,848 | | 4,838 | | 3,338 | | (*c*) 768 | | 4,185 |
| Paddle Steamer No. 3, Provisions, Coal, Stores, and Repairs .. | ..... | | ..... | | ..... | | ..... | | 5,253 |
| Steamer "Nemesis" .. Establishment and repairs .. .. .. | ..... | | ..... | | ..... | | ..... | | 4,521 |
| "Kedgeree" .. Ditto ditto .. .. .. | ..... | | ..... | | ..... | | ..... | | 11,375 |
| River Survey Department, Stores and repairs .. .. .. | ..... | | ..... | | ..... | | ..... | | 1,929 |
| Total .. | | 74,866 | | 70,000 | | 60,000 | | 51,466 | 64,652 |
| ***Buoy "Vessel Dolphin."*** | | | | | | | | | |
| Commander, Officers, Crew and Contingencies .. .. .. .. | 14,184 | | 14,194 | | | | | | |
| Repairs, Stores, Provisions and Coal .. .. .. .. .. | 7,536 | | 6,816 | | 14,184 | | 14,184 | | 16,937 |
| | | | | | 4,816 | | 1,536 | | 6,226 |
| Total .. | | 21,720 | | 21,000 | | 19,000 | | 15,720 | 23,213 |
| ***Anchor Vessel "Vulcan."*** | | | | | | | | | |
| Commander, Crew and Contingencies .. .. .. .. | 5,448 | | 5,448 | | 5,448 | | 5,448 | | 4,553 |
| Repairs, Stores, Provisions and Coal ... ... .. ... ... | 8,773 | | 8,552 | | 5,752 | | ..... | | 4,310 |
| Total .. | | 14,221 | | 14,000 | | 11,200 | | 5,448 | 8,863 |
| ***Miscellaneous Boats.*** | | | | | | | | | |
| Row Boat .. .. Wages of Crews .. .. ... ... | 5,232 | | 5,232 | | 5,232 | | 5,676 | | 4,105 |
| .. Repairs and stores .. ... ... .. | 3,770 | | 3,770 | | 3,770 | | .... | | 6,956 |
| Bhowlias .. ... Wages of Crews ... .. ... .. | 1,896 | | 1,896 | | 1,896 | | 1,920 | | 2,376 |
| .. Repairs and stores .. .. .. .. | 818 | | 818 | | 818 | | ..... | | 497 |
| Total .. | | 11,716 | | 11,716 | | 11,716 | | 7,596 | 13,934 |

| | Local estimate, 1879-80. | | Accountant-General's estimate, 1879-80. | | Sanctioned estimate, 1879-80. | | Sanctioned estimate, 1878-79. | | Actuals, 1877-78. |
|---|---|---|---|---|---|---|---|---|---|
| *Tidal Semaphores.* | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. |
| Establishment and Contingencies ... ... .. .. .. .. | 3,790 | | 3,790 | | 3,790 | | 3,589 | | 3,048 |
| Repairs of Hooghly Point Jolly Boats .. .. .. ... .. | 356 | | 356 | | 356 | | .... | | .... |
| Total .. | | 4,146 | | 4,146 | | 4,146 | | 3,589 | 3,048 |
| *Miscellaneous.* | | | | | | | | | |
| Mooring hire for Light-Vessels, &c., three sets, at Rs. 140 each per mensem ... .. .. .. ... .. .. .. .. | 5,040 | | 5,040 | | 5,040 | | 35,000 | | 33,868 |
| Harbour-masters' fees for mooring vessels .. .. .. ... | 3,500 | | 3,500 | | 3,500 | | 3,500 | | 4,695 |
| Cost of Telegrams ... ... .. .. .. .. ... .. | 9,000 | | 9,000 | | 9,000 | | 15,000 | | 9,066 |
| Rent of Godowns for Buoys.. .. .. ... .. ... ... | 1,500 | | 1,500 | | 1,500 | | 1,500 | | .... |
| Cost of new Buoys and Tidal Poles .. .. .. .. .. | 26,891 | | 26,598 | | 15,000 | | 1,410 | | .... |
| Miscellaneous Stores for Channel Buoy Department ... .. .. | 25,000 | | .... | | .... | | ..... | | ..... |
| Repairs of Channel Buoys .. .. ... ... ... ... | 12,000 | | 12,000 | | 10,000 | | .... | | 10,692 |
| Remuneration for recovery of lost anchors .. ... .. .. | 2,000 | | 2,000 | | 2,000 | | 2,000 | | ..... |
| Allowance for collecting Marine dues .. .. .. ... .. | 3,500 | | 3,500 | | 3,500 | | 3,500 | | 3,500 |
| Miscellaneous .. ... .. ... ... .. ... ... | .... | | .... | | ..... | | .... | | 531 |
| Total ... | | 88,431 | | 63,138 | | 49,540 | | 61,910 | 62,352 |
| Grand total, Port Approaches ... | | 3,97,319 | | 3,62,600 | | 3,05,122 | | 2,24,314 | 3,31,402 |
| *Deduct.* | | | | | | | | | |
| Amount reduced by Government of Bengal ... .. .. ... | | ..... | | .... | | ..... | | 10,778 | ..... |
| GRAND TOTAL ... | | 3,97,319 | | 3,62,000 | | 3,05,122 | | 2,13,536 | 3,31,402 |

(*a.*) Does not include stores.
(*b.*) Does not include repairs, stores and coals for "Clyde."
(*c.*) Provisions only.

*Calcutta, the 19th March* 1879.

RESOLUTION.

READ—Papers connected with the re-organization of the Marine Department and the Finances of the Bengal Provincial Marine.

THE Lieutenant-Governor in reviewing the estimates of the Marine Department for the year 1877-78, and in dealing with other questions that have come before him in connection with marine expenditure during the past year, has found reason to believe that there is at present a very insufficient check upon the growth of the marine charges, and that there is room for no inconsiderable saving in the matter of establishments and stores. The position of the local Government with reference to the Marine Department has, however, during the last few years, been so radically changed that it is necessary to define clearly the limits within which the local Government may direct enquiry and enforce economy.

2. By the orders of the Government of India, in the Marine Department, No. 5S, dated the 6th July 1877, the whole of the marine establishments afloat and on shore under the several Governments and provinces of India were amalgamated into one imperial service under the designation of "Her Majesty's Imperial Marine." This service is placed entirely under the Supreme Government of India, such portion of it as may be required for service within the limits of minor Governments and other local authorities being from time to time placed at the disposal of those authorities.

3. All marine establishments, dockyards, and vessels on the eastern side of India are placed under a Superin-

tendent of Marine residing at Calcutta. This officer is immediately under the orders of, and responsible to, the Government of India, for the discipline, interior economy, and efficiency of the establishments, dockyards, and vessels within his limits, and over these he exercises a general control. He is also, however, the adviser of the local Governments on all subjects connected with marine matters and the establishments in their charge.

4. The former titles of Master Attendant, Harbour Master, &c., connected with duties appertaining to the Mercantile Marine and the Board of Trade, or other local Marine Service, have been abolished, and these officers are now styled "Port Officers." The Port Officers are entirely under the orders of the local Government. Pilot establishments, local lights and light-vessels, conservancy of rivers and ports, shipping duties, &c., are also placed under the local Government.

5. By the orders of the Government of India, in the Marine Department, No. 48S, dated the 16th August 1877, all expenditure on vessels of the Indian Marine requires the sanction of the Government of India; but in the case of vessels entirely under the orders of local Governments and authorities, and not forming part of the Indian Marine, it is only necessary to refer to the Government of India when the work required has to be carried out in the Government dockyard.

6. The vessels under the orders of this Government have been divided into five classes by the orders of the Government of India, in the Marine Department, No. 61, dated the 8th January 1879.

Class I is to consist of local vessels paid out of port funds, such as the pilot brigs, pilot cutters at Chittagong,

the light-ships, the vessels of the River Survey Department, and, generally speaking, all other similar vessels maintained out of provincial or local funds for purely local duties.

Class II comprisss the State yacht establishment. The *Sir William Peel* and the *Rhotas* will be maintained from imperial funds, while the steam launch *Fannie* will be entirely under this Government.

Class III will be entirely under the Imperial Government.

Class IV consists of steam-launches and small vessels belonging to local departments and performing local duties. The expenses of these vessels, as a rule, are to be provided for by the department concerned.

Class V will consist of vessels lent to the local Government for purpose of provincial administration at a fixed charge per ton as laid down in the orders of the Government of India, in the Marine Dapartment, No. 1482, dated 26th February 1878. The rate is at present experimental and liable to revision at some future time.

7. A return showing all vessels (other than mere row-boats) employed in every department under this Government during the quarters ending the 30th June 1878, the 30th September 1878, and the 31st December 1878, is attached in Form B. (These statements will require modification in accordance with the orders regarding the classification of vessels, referred to above.) The Form C, attached, intended to show the whole expenditure on these vessels, is at present so incomplete as to be useless.

8. By the notification of the Financial Department of the Government of India, No. 1899, dated the 29th of March 1877, a fixed consolidated allotment from the imperial revenues was made over to the local Government for the support of the Marine Service as described above. The departmental receipts connected with this service were also surrendered to this Government, which is allowed to appropriate to provincial uses any surplus, while it is bound to make good from provincial resources any deficit which may result from their management of the delegated services. The receipts so made over were—

Pilotage receipts.
Registration and other fees.
Port receipts.
Other miscellaneous receipts, inclusive of any item abnormal in character and exceeding Rs. 10,000.

These have been made over for an annual payment of Rs. 10,84,000.

9. The Marine charges were made over with a grant of Rs. 10,92,000, the details of which are shown in paragraph 22 of the notification.

Under the orders of the Government of India, in the Financial Department, No. 2752, dated the 19th December 1878, an addition was made to the provincial allotment of Rs. 42,192 per annum for the charge of the Port Officer, Calcutta, and his office establishment.

10. The heads of charges under which this grant is made are as follow :—

Port Officer's establishment.
Marine Court.
Shipping Master.

Shipping fees, towing fees, and sundries.

Lieutenant-Governor's State yacht.

Pilotage, pilot establishment, and pilot vessels.

Victuals, exclusive of sea-going vessels, inland steamers and flats, famine vessels, and Governor-General's State yacht.

Coal for Lieutenant-Governor's State yacht, pilot, survey, and light-vessels, and steamer *Celerity*,

Building and repairs of Lieutenant-Governor's yacht, pilot, survey, and light-vessels.

Light-houses and ships.

Calcutta port approaches.

Outports.

Other miscellaneous charges.

11. It will be observed however, from the orders regarding the classification of vessels alluded to above, that some of these heads, or portions of them, have again been assumed as an imperial charge, such as the State yacht establishments, the steamer *Undaunted*, &c. The question whether the provincial allotment is to be reduced on this account has been referred to the Government of India.

12. The Marine receipts for 1879-80 are estimated by the Accountant-General at Rs. 11,50,000, while the charges amount to Rs. 13,16, 000. The estimate of expenditure has been cut down by the Financial Department to Rs. 11,70,000, but this is merely a summary reduction, and it is quite uncertain whether it can be secured, or how the estimates have increased to the amount shown in the local figures.

13. The form of the estimates makes it very difficult to check the growth of expenditure in detail. In the Provincial Marine estimates the total receipts passing into the treasury and the total out-goings on expenditure are classified under the following major heads:—

RECEIPTS.

Pilotage receipts.
Registration and other fees.

*Miscellaneous.*

Deductions for mess-money.
Port receipts.
Contributions to life-boat establishment at Goalundo.
Other items.

EXPENDITURE.

Marine establishments.
State yacht establishment.
Pilotage, pilot establishment, and vessels.
Light-houses.
Building and repair of ships.
Victuals for crews of ships and vessels.
Coals supplied to ships and vessels.
Timber, stores, &c, purchased in the country.
Miscellaneous.

Under the Ports Act however, a separate account has to be kept and published annually, showing all the receipts of the port from port dues and fees; and *per contra* all expenses of establishments, and works maintained for the benefit of vessels entering the port, and passing through its approaches, excluding only pilotage receipts and charges. The port proper has, however, been placed under the Port Commissioners, while the approaches

remain under the Marine authorities. Some of the receipts and charges appear, therefore, in the accounts of the Port Commissioners, and some in the books of the Accountant-General. Under these circumstances great difficulty has been felt in preparing an accurate statement of the Port Fund, such as is required by law; and it is found equally difficult to check, in the interests of the port, the expenditure upon local establishments, stores, and vessels, which in the Marine estimates is amalgamated with that which is more strictly Provincial.

14. Under these circumstances, the Lieutenant-Governor is anxious to have the accounts of income and expenditure in all branches of the Provincial Marine Department thoroughly reviewed and investigated with the object of securing efficiency and economy in the administration of the grant. For this purpose he thinks that a Committee, consisting of the gentlemen noted in the margin, should be appointed with full power to enquire into the working of the whole system of Provincial Marine Accounts. The Government of India will be requested to allow the Superintendent of Marine and Chief Accountant of the Dockyard to act on the Committee.

The Financial Secretary to this Government.
The Accountant-General, Bengal.
The Vice-Chairman to the Port Commissioners.
The Superintendent of Marine.
The Chief Accountant to the Dock-yard.

15. The Committee will be requested to direct their attention specially to the following points :—

(1)—The system under which the provincial vessels are repaired, the checks on expenditure, and the mode of charging and accounting for work done. (The procedure now adopted for submitting defect lists or indents for the repair of vessels is

laid down in the Government of India's orders of the 12th February 1879, forwarded to this Government under cover of letter from the Superintendent of Marine, No. 1106, dated 21st February 1879. The defect lists are checked both by the Port Officer and the Superintendent of Marine, and the estimates for work to be done are then drawn up by the professional officers of the Dockyard, and approved by the Port Officer and the Superintendent of Marine. There is reason to believe that the charges for repairing local vessels are in many cases excessive, and that they are not properly checked and controlled. The matter was recently brought to notice specially in the case of the pilot-vessels, the repairs of which it was found on enquiry had, during the last three years, amounted to the sums shown below :—

| | 1875-76. cost of repairs. | 1876-77. cost of repairs. | 1877-78. cost of repairs. | Total. |
|---|---|---|---|---|
| *Pilot-vessels.* | Rs. | Rs. | Rs. | Rs. |
| "Undaunted" } attached to pilotage | 16,424 | 51,010 | 7,212 | 74,646 |
| "Celerity" } | 4,141 | 4,472 | 44,784 | 53,397 |
| "Coleroon" .. .. .. .. .. | 3,758 | 2,842 | 2,912 | 9,512 |
| "Cassandra" .. .. .. .. .. | 5,946 | 6,044 | 5,672 | 17,662 |
| "Chinsurah" .. .. .. .. .. | 5,780 | 7,930 | 5,756 | 19,466 |
| "Foam" .. .. .. .. .. | .... | .... | 2,295 | 2,295 |
| Grand Total .. | 36,049 | 72,930 | 68,631 | 1,76,978 |

This Government has no means of checking the expenditure, and no means of ascertaining whether the work done in the Dockyard is what it ought to be. The Lieutenant-Governor has no authority to institute a general examination into the

working of the Dockyard itself, but he wishes to have the opinions of the Pilot Service and local Marine Officers as to the character of the work, the causes of the constant calls for repairs of pilot and other vessels, and the possibility of effecting these on a cheaper system. The Committee should enquire fully into this matter, examining the commanders of pilot brigs and light-vessels, and any other persons likely to throw light on the point or make any useful suggestions for securing economy and efficiency in the repair of the vessels, &c., of the Provincial Marine. They should enquire particularly into the present mode of charging the Provincial Government for work done.

(2)—The Committee should report as to the best and most economical mode of supplying coals and other stores to the vessels and light-houses under this Government and for other local marine purposes. The present system is believed to be costly and wasteful in several respects. A proper system of check is necessary, even if no change be made in the mode of supply.

(3)—The Committee should also consider the possibility of effecting reductions in the establishments of the Port Office, Calcutta, and of the vessels, light-houses, &c., under this Government.

(4)—The proper preparation of Marine and Port Fund Accounts must engage the earnest attention of the Committee. Some system by which the present inaccuracies, discrepancies, and delays

may be avoided in the submission of these accounts is most desirable. Attention is invited to the fact that the greatest difficulty has been experienced in reconciling the figures of the local Port offices with the figures of the Accountant-General's office, and this difficulty has prevailed to such an extent as to render it impossible to comply with the provisions of the Port Act in regard to the Port Fund Accounts, either of Calcutta or the outports. The correspondence relating to the Port Fund Accounts of Calcutta, Chittagong, and the Orissa Ports, and the Hospital Port Dues Fund is forwarded for the perusal of the Committee.

(5)—The best mode of securing financial supervision over the boats and vessels at the outports and over those under the control of other local departments should be considered. The repairs of these vessels are most costly owing, it is feared, to their being generally left over to the last.

16. The Lieutenant-Governor hopes that the Committee will not confine their attention to the points indicated above. He would be glad to receive any suggestions for effecting improvement and economy that may occur to them.

17. Amongst the other papers which will be submitted to the Committee will be found Messrs. Whiffin and Foster's Report on Dockyard Accounts; Report on the Callcutta Port Fund, 1867; another report on the same in 1870; and Rear Admiral Sir W. R. Mends' Report (1872) on the establishments and vessels of the Indian Marine.

ORDER.—Ordered, that the members of the Committee be appointed, and that each member be supplied with a copy of this Resolution; and that the papers be forwarded to the President.

By order of the Lieutenant-Governor of Bengal,

A. MACKENZIE,
*Secy. to the Govt. of Bengal.*

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## TELEGRAPH SERVICE.

IN view of the approaching meeting of the International Telegraph Convention and the existence of wide-spread rumours that important changes would then be proposed of a nature likely to be detrimental to the mercantile community, the Committee deemed it desirable to address Government on the subject. At the same time with the view to secure the co-operation of other mercantile communities interested in the question, the Committee addressed a circular to all sister Chambers in the East, inviting their assisance in resisting the changes which were said to be in contemplation. The replies the Committee have received to their circular are given below and are satisfactory, as showing that the views therein expressed are generally shared by other Chambers.

The reply from Government, however, is less satisfactory than might be wished. They agree

with the Chamber as to the insufficiency of an authorised code of 50,000 words only, but appear unprepared to oppose other changes of a kind which tend to limit the facilities now enjoyed by the public, provided only sufficient notice of their introduction is given. The Committee's reply to this communication is given in the subjoined correspondence.

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*From Chamber to Government of India.*

*Calcutta, 26th March* 1879.

It having been announced that the International Telegraph Convention will be held in June next for the purpose of re-considering rules and regulations, the Committee of the Chamber of Commerce beg respectfully to remind you of the following promise contained in Government of India letter to the Chamber, dated 11th March 1876,—"In case of any changes or new arrangements affecting the mercantile community, the Government of India will take care that the earliest official intimation possible shall be given of what is in contemplation or determined."

Great inconvenience was caused to the mercantile community by the changes that were brought into sudden operation after the Convention of 1875, and the Committee would earnestly impress on you the importance of supplying, as soon and as fully as it can be done, information as to the instructions it is proposed by the Government of India to give to their representatives at

the coming Convention, so that timely opportunity may be afforded to the Chamber for considering the instructions and for offering such observations as they may, in the circumstances, deem to be necessary.

It has been brought to the notice of the Chamber that it is intended by the Telegraph Companies to recommend the issue of an authorised code of 50,000 words, to the exclusion of groups of figures, and to prohibit the use of any other code. It has further been reported that there is a proposal to reduce the present maximum number of letters allowed to a word from 10 to 9 or 8.

These rumours may be groundless, but the subject seems of so much importance that the Chamber think it advisable to place their views before you for the purpose of showing how harassing and detrimental such changes would prove to the mercantile community. Merchants have prepared their ciphers on the understanding that groups of five figures would be accepted as one word, and they have appropriated words of 10 letters or less to each group of figures.

Were an authorised code of 50,000 words only to be permitted, or were the present limit of 10 letters in a word reduced, almost all existing private ciphers would be rendered useless, and severe loss and inconvenience would be caused to the commercial public.

The Committee have no objection to an authorized code provided that it consists of 100,000 words, that its adoption be optional, and that all existing ciphers be allowed to continue in use. They are also of opinion that such a code would gradually take the place of private codes, and

in process of time be generally accepted by the mercantile public: but they would strongly protest against any action that would abruptly upset private ciphers, and they sincerely trust that the Government will take steps to guard their interests in this matter.

The Committee would bring to your notice that the Telegraph Companies have recently increased their charges, owing, it is understood, to the diminution of messages. It appears more than probable that the reduction in the number of messages can be traced to the difficulties created by the late Director-General of Telegraphs in India in forcing a thorough revision of their codes upon merchants, which led to the preparation of systems, on prescribed rules, combining the maximum of information with a minimum word expenditure. They would submit, that were codes again upset by sweeping alterations in rules, senders of messages would be once more compelled to arrange their ciphers, with the result, ultimately, of still further reducing the flow and volume of messages; and, as a consequence, the Companies' receipts would be still further diminished.

Under the circumstances, the Committee hope the Government of India will use its influence to prevent any change in current regulations that will even temporarily interrupt business, and that both in the interests of the public and of the Companies it will instruct its representatives at the next Conference to withstand any alteration that will limit, or tend to limit, the facilities now enjoyed by the mercantile community.

In conclusion, I am directed to submit for your information copy of this Chamber's circular to all Chambers

in the East, together with copies of their replies, from which it will be observed that an almost unanimous expression of views confirms this Chamber's apprehension of the mischievous results which would attend the changes referred to.

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*From Bengal Chamber to all Chambers in the East.*

The Committee of this Chamber have had their attention drawn to a movement contemplated by the Eastern Telegraph Company, the adoption of which would result in all present commercial codes being rendered useless, and merchants will have to suffer the inconvenience, annoyance, and expense, of preparing new ones.

The proposal is to issue an authorized code of 50,000 words selected from the English, French, German, Latin, Italian, and Hindustani languages—which, it is declared by the Chairman of the Eastern Company, would be sufficient for the requirements of commerce—and to apply a single rate for each word in this code, but a double charge would be made for any words other than those contained in it.

The carrying out of such a scheme would cause a total disorganization of the present system of working with figures and retranslating into words, which has been generally adopted by merchants; and in the opinion of this Chamber an endeavour should be made to resist this attempt of the Telegraph Companies by an unanimous action on the part of all mercantile communities interested in maintaining the arrangements now in operation.

The adoption of an authorized code of 50,000 words is advocated by the Chairman of the Eastern Company on the ground that "the occupation of the lines for the "repetition of words wrongly transmitted is not only "a loss to the Companies but inconvenient to the public, "other telegrams being delayed while mistakes are "remedied." But it can be shown beyond doubt that the transmission of messages in figures only, including entire repetition, would occupy less time than word messages require. Indeed it was the suggestion of the late Director-General of Telegraphs in India that merchants here should put their codes into figures, as best suiting the Telegraph Companies; and, as most of them did so, they have now to translate their messages into figures and re-translate them into words.

The Committee have no objection to an authorized code, but they consider that a code containing only 50,000 words is not sufficient for the requirements of commerce; that at least 100,000 words are necessary; and that the use of such authorised code should be optional with merchants. They have no doubt in time its use would become general as new codes were prepared, but in the meantime they suggest that a united representation be made to the Companies and to the Government Director-General, advocating that merchants be allowed to continue using their present codes, and that 5 figures should be taken as one word without repetition charge, as also Whitelaw's word combinations and any others based on the same principle.

The Committee would be glad to be informed if your Chamber is willing to join in a general protest against

the proposed alteration, and in a request that all words or word combinations not exceeding 10 letters, similar to those referred to, be admitted, and 5 figures be received as one word without extra charge. Should such a protest fail to bring the Telegraph authorities to reason the publicity that will thereby be given to the unpopularity of the present lines will probably lead to competition, as a new deep-sea cable could now be laid down at greatly less than the last one cost. Such a result would equally meet the mercantile wants, and such a line working correctly would certainly command the support of the Calcutta merchants.

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*From Bombay Chamber.*

The Committee of this Chamber have had under consideration your letter of the 6th instant, regarding the proposal of the Eastern Telegraph Company to issue an authorised code of 50,000 words.

In reply, I am directed to observe that this Chamber has no information in regard to this contemplated movement beyond what you have communicated to it, and what has appeared in the public newspapers; but the Committee concur with you in considering that a code containing only 50,000 words is not sufficient for the requirements of commerce, that at least 100,000 words are necessary, and that the use of the proposed authorised code should be optional with merchants. So far, therefore, as the Committee can see at present, they will be happy to join in a general protest against the proposed alteration, and in a request that all words or word combinations similar to those referred to in your letter be admitted, and 5 figures be received as one word without extra charge.

*From Kurrachee Chamber.*

I am desired by the Managing Committee to state, in reference to your favor of 6th instant, that this Chamber is prepared to join in a general protest against the contemplated movement of the Eastern Telegraph Company, to which attention is therein drawn.

The Committee would be obliged by your informing me what steps are taken in the matter, and whether they should take any independent, or direct, action.

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*From Rangoon Chamber.*

I am desired to acknowledge receipt of your letter of 6th September, with reference to the Eastern Telegraph Company's proposal to issue an authorized code of words for use in telegraphing between India and Enrope, and to allow the transmission of words in this code only at a single rate, while a double charge will be made for all others.

This Chamber fully recognizes the inconvenience that would be caused by the introduction of this compulsory code, and I am desired by the Committee to state that the Chamber will be glad to join in the general protest against the movement which the Bengal Chamber of Commerce proposes drawing up.

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*From Ceylon Chamber.*

In reply to your letter of the 6th instant, I beg to inform you that the Committee of the Ceylon Chamber

of Commerce fully enter into the views of your Chamber regarding the inexpediency of the proposed change in the method of telegraphing and in the restriction of the number of words to be employed.

They feel sure that the Ceylon Chamber would join in a protest against the proposed alteration if initiated by the Bengal Chamber.

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*From Hong-Kong General Chamber.*

I am desired by the Committee of this Chamber to acknowledge the receipt of your letter of the 6th September, and to inform you that its contents were considered at their last meeting, when it was agreed that such a change as that contemplated by the Eastern Telegraph Company is not desirable; that a code containing only 50,000 words is not sufficient for the requirements of commerce.

I have therefore to inform you that this Chamber is willing to join in a general protest against the proposed alteration, and in a request that all words or word combinations not exceeding 10 letters, similar to those referred to, be admitted, and 5 figures be received as one word without extra charge.

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*From Shanghai General Chamber.*

I have to acknowledge the receipt of your favor of 6th September, relating to the proposed movement contemplated by the Eastern Telegraph Company, who propose to issue an authorized code of 50,000 words and to charge double rates for every word not contained in it.

I am requested by the Committee to inform you that they quite concur with you in your objections to the proposed alterations, and that they will be happy to join with the Bengal Chamber in a protest against the same, and a recommendation that the public be permitted to continue using all words and word combinations not exceeding 10 letters, and groups of 5 figures to be taken as one word.

Meantime, however, in order to assist in bringing the matter forcibly before the Telegraph Companies, they propose to address the Great Northern and Eastern Extension Companies on the subject, and trust that the combined action of the representatives of the mercantile community in the East may have the effect of inducing the Telegraph Companies to abandon their proposal, which, in the opinion of the Committee, would entail increased trouble and expense upon the general body of merchants and be of no practical assistance to the Companies themselves.

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*From Singapore Chamber.*

Your letter of 6th September, regarding the proposed changes in the regulations of the Telegraph Companies, has been laid before the Singapore Chamber of Commerce.

If by the proposed alterations it is meant to charge a double rate for every word which may not be found in an official code, even though used in an ordinary sense, and forming no part of a cypher—as for instance, names of persons, places, or ships—and also to charge a double rate for all figures in whatever connection they may occur, the Chamber would gladly join the Bengal Chamber in

a protest against such a step on the part of the Telegraph Companies.

At the same time, as there can be no doubt that much delay in the transmission of messages is caused by the use as code-symbols of unusual and unmeaning words in many languages, which perplex the operators and are peculiarly liable to error, the Chamber is disposed to support any arrangement by which such words could be kept out of commercial codes. If this can best be effected by the issue of an official list of code-words, the Chamber sees no objection to its adoption, provided the use of ordinary words in their natural sense and connection, and of names which are not code-symbols, and of figures as at present, be not interfered with.

The larger the official code the better, but the Chamber believes 50,000 words would be found sufficient, specially if the use of figures is retained.

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## *From Madras Chamber to the Director-General of Telegraphs, India.*

The Chamber have had their attention directed to a scheme that has emanated from the Directors of the Eastern Telegraph Company, by which it is proposed to issue an authorized code of 50,000 words selected from the English, French, German, Latin, Italian and Hindustani languages, and to apply a single rate for each word in this code, but a double charge for any words other than those contained in the code.

The Chamber are of opinion that there is no necessity for the proposed change, which would not only occasion

great inconvenience in its introduction, but cause, as the Bengal Chamber of Commerce have truly remarked, "a total disorganization of the present system of working with figures and retranslating into words, which has been generally adopted by merchants." The present system which was adopted at the suggestion of the late Director-General of Telegraphs in India, has worked well, and the Chamber venture to hope that it may be allowed to continue in force. They would take this opportunity of suggesting that five figures should be taken as one word without repetition charge.

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*From Government of India to Chamber.*

*Simla, May 5th,* 1879.

In acknowledging receipt of your letter, dated the 26th March, to the address of the Secretary to the Government of India in this Department, I am directed to inform you that the Government of India has no official knowledge of the proposal by the Eastern Telegraph Company, referred to by you, for the introduction of an authorized code of 50,000 words for telegraphic communication.

2. I am further directed to say that the Government of India agrees in the view expressed in your letter under reply, that a limit of 50,000 words would be insufficient for such a code.

3. If, as is possible, a proposal for the introduction of an authorized code should be brought forward by other Governments, it would only be supported by the delegates from this Government on condition that the limit, if any,

of the number of words should be a fair one, and that ample notice should be given to the public before its introduction be made compulsory.

4. The Government of India does not contemplate bringing forward at the Conference any proposal for limiting the use of code *words;* but if, as is not improbable, proposals should be made from other sources for placing restrictions on the use of private codes in the shape of reducing the number of letters per word, or of confining messages to a single language, this Government is not prepared to oppose any measure of the kind that may find favor with other Governments represented at the Conference; provided that the changes, if any, shall not be introduced until at least one year's notice shall have been given to the public.

5. I am also directed to forward for the information of the Chamber a copy of the instructions which the Government of India is sending to its delegates. A copy of this correspondence will also be sent in continuation; and I am to add that measures will be taken to ensure the speedy communication to the Chamber of the Resolutions agreed to by the Conference.

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Memorandum of instructions for MAJOR H. MALLOCK, appointed by the Government of India to represent the Indian Telegraph Department at the International Conference to be held in London in June next.

Major Mallock should obtain, through the Director of the Indo-European Telegraph Department, a copy of the official "*Propositions pour la Conference Tele-*

*graphique International de Londres,*" published by the Berne Bureau early in 1878, as well as a copy of the supplementary proposals at present under preparation by the Bureau.

2. The original proposals of the Indian Administration are as follows :—

I.—To make the paid repetition (at present compulsory for cypher messages under Regulation XLVIII) optional in all cases.

II.—To reduce the charge for repetition (which at present, under paragraph 3, Regulation XLVIII, is equal to half the cost of the telegram) to one-fourth the cost of the telegram in the case of extra European messages.

III.—To adopt the divisor three for groups of figures in extra European messages (instead of five as at present fixed by Regulation XXI, para 7).

IV.—To revise the examples given in Regulation XXII to accord with the changes above detailed.

V.—To insist on strict observance of the conditions of Regulation LXIV in respect of calls for repetition, and to slightly modify the wording of Regulation XVII to prevent the possibility of its being misinterpreted.

Full details of the above proposals will be found in the printed Proceedings of the Government of India, Nos. 15 to 23 (Telegraph, for January 1878 (annexure A).

3. A copy of letter No. 2451T. of the 30th November 1877, from the Officiating Director General of Telegraphs, notifying to the Bureau the proposals of the Indian Administration, is also appended (annexure B).

4. On the question of a cheap uniform tariff between all countries in Europe, it is considered by the Government of India that the Indian delegates should take up a neutral attitude, and neither support nor oppose the proposal in question.

5. Nor is the Government of India prepared to entertain the proposals of the Companies to add to the Fao-Bushire transit charge such a sum as may counterbalance any reduction between London and Fao. The correspondence on these points will be found in Government of India Proceedings (Telegraph), Nos. 6 to 12, for May 1878 (annexure C).

6. The Italian Administration has pointed out the inconvenience of intermixing letter and figure cypher in the same state messages, and proposes that a regulation be adopted prohibiting the practice. This proposal the Government of India desire should be supported by the Indian delegates: *vide* Government of India Proceedings (Telegraph) for June 1878, Nos. 7 to 11 (annexure D).

7. Although the Government of India is of opinion that the time has not arrived for definitely proposing a "letter" tariff, they are desirous that every opportunity should be availed of to familiarize the international delegates and the public with the principle of this proposal, which they have decided to be a right and proper one.

Under instructions from the Government of India, a historical note* on the subject has been prepared by Mr. G. H. Lane, Officiating Director of Traffic, Indian Telegraph Department; and this note, as well as the latest correspondence on the subject, will be found in Government of India (Telegraph) Proceedings for October 1878 (annexure E.)

* This note having been compiled for the use of the Government, it should not be published or shown, but its contents may be utilized in discusing the question with other delegates or with the Companies.

8. Owing to the continued fall in the exchange with countries using a gold standard of value, the Government of India were compelled from the 1st January 1879 to adopt the rate of 0·50 rupee per franc, instead of 0·44 as arranged on the occasion of the St. Petersburgh Conference. This measure deprives the Indian Administration of the rounding off charge on sent messages, of which it had the benefit under the 0·44 rupee per franc exchange. It will therefore be necessary for the Indian delegates at the ensuing Conference to endeavour to obtain for India the terminal rates of francs 0·65 and francs 0·90 per word recorded to be her due in the St. Petersburgh Convention: *vide* column of remarks, page 642, Berne edition. The correspondence on this point will be found in annexure F. The right of the Government of India to adopt a still higher than ·50 of the rupee per franc in case of the state of exchange demanding such a step, should be reserved.

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*From Bengal Chamber of Commerce, to Major General* A. FRASER, C.B., *R. E. Secretary to the Government of India, Public Works Department—Calcutta, 22nd May* 1879.

I HAVE the honour to acknowledge receipt, on 13th instant, of your letter No. 149, of 5th idem.

The Committee of the Chamber are pleased to learn that Government agrees in the view that a limit of 50,000 words would be insufficient for an authorised code. They think, however, that if an authorised code of 100,000 words were issued, there would be no objection to its introduction without delay; it would meet the wants of commerce, and put a stop to the annoyances to which merchants have been subjected in the past.

The Committee learn with regret that Government is not prepared to oppose any measure that may be brought forward to "place restrictions on the use of private codes in the shape of reducing the number of letters per word, or of confining messages to a single language." Such changes the Committee would urge Government to oppose most strenuously, as being much more objectionable even than a code limited to 50,000 words. The probable effect of curtailing the number of letters to, say, eight per word, or of restricting to one language with words of ten letters, would be to limit a code to about 30,000 words.

The Committee are at a loss to understand the reason for the proposal to be made by the Indian Administration to adopt the divisor 3 for groups of figures in extra European messages, for it is a well known fact in telegraphy, as has already been pointed out by the Chamber, that figures can be transmitted more cheaply than letters. It would seem from this that it is not a question of cheap working, or of saving trouble to the telegraph employés, that is the end in view, but the prevention of the use of figures, because these offer a cheap and simple mode of making codes. Merchants

do not willingly incur the great labour of rearranging and rewriting a code, but if it has to be done, all the latest improvements are certainly introduced and the result will not be an increased revenue. It may be well to mention that every alteration in the rules affecting codes causes each merchant probably six months of continuous hard work to adapt his code to the altered state of matters. The enormous additional work that has already been thrown upon merchants by the numerous changes that have been made, causes a very serious ground of complaint against the Indian Delegates who, according to the information of the Committee, have been mainly instrumental in bringing about these alterations.

If a "letter tariff" is what the Government considers the right and proper principle, and as Government evidently proposes to bring it forward at no distant date, the Committee fail to see why any vexatious changes should be adopted in the meantime. The adoption of the "letter tariff" at once would, in the opinion of the Committee, be perhaps advisable, and it would not entail any changes in existing codes and would settle the question finally, perhaps better than would be done by an authorised 100,000 words code.

## JUTE WAREHOUSE AND FIRE BRIGADE.

THE Committee are glad to record that this matter has at length been settled in accordance with the principle they have always contended for, that the fees levied should be just sufficient

to meet the charges properly incident to the fund and no more. The Bill which has lately become law provides that "any balance which may remain after payment of such expenses shall be applied in reduction of the fees levied on licenses for jute warehouses under this Act." The Committee trust that the application of this rule will result in a sensible diminution of the burden hitherto borne by the local jute screws and warehouses.

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*From the Goverment of Bengal to Chamber.*

*Calcutta, the 31st December* 1878.

WITH reference to the correspondence ending with your letter dated the 15th May last, on the subject of the working of the Jute Warehouse and Fire-Brigade Acts, (II of 1872, and II of 1875, B. C.) in Calcutta, the Suburbs, and Howrah, I am directed to say that the Lieutenant-Governor is of opinion that an amendment of the existing law is necessary to secure the relief of the jute trade from the heavy taxation which it at present bears.

2. The Lieutenant-Governor agrees with the Committee of the Chamber in the opinion that it is unreasonable to make jute and and cotton warehouses pay, and more than pay, for the fire-brigade required for Calcutta and the Suburbs, and the obvious remedy for the present state of things would be to increase the area of taxation, and to levy fees on all warehouses, buildings or places used for storing *any* dangerously inflammable material. The

existing law does not, however, allow of any fee below a high minimum, and if the area of taxation be increased, the result would be to swell the present large income of the Fire-Brigade Fund, and to impose burdens on other trades besides the jute and cotton trades.

3. A Bill has accordingly been drafted to amend the law, and I am desired by His Honor to forward herewith a copy thereof for the information of the Committee of the Chamber, and for any remarks or suggestions they may wish to make. It will be seen that it is proposed that the scale of fees should be one to be fixed and altered from time to time by Government, on the recommendation of the municipalities concerned, and that Insurance Companies should be exempted from the tax which they at present pay.

4. It would also seem to be a convenient arrangement to deal in the present Bill with the storage of oils of a dangerously inflammable nature. At present all oils that give off an inflammable vapour at a temperature not exceeding 100° F. fall under the provisions of the Act III (B.C.) of 1865, and all other inflammable oils might be brought under the operation of the present Bill; but it seems very doubtful if the limit of temperature has been fixed sufficiently high for this country at 100° F.; and on this point I am to say that the Lieutenant-Governor would like to be favoured with the opinion of the Chamber of Commerce.

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*From Chamber to Government of Bengal.*

*Calcutta, 24th February* 1879.

The Committee of the Chamber of Commerce desire me to acknowledge the receipt of your letter, No. 5913 of

31st December, forwarding copy of a Bill to amend the existing Jute Warehouse and Fire-brigade Acts of 1872 and 1875.

The Committee are glad to find that His Honor the Lieutenant-Governor agrees with them in the unreasonableness of making only jute and cotton warehouses pay, and more than pay, for the fire-brigade required for Calcutta and the suburbs, and that the purpose of the amending Bill is to relieve the trade in those articles from the heavy taxation which it at present bears.

It has been declared by the Lieutenant-Governor that the maintenance of a fire-brigade is an object in which all classes of the community are interested and to which all ought to contribute, and that such contribution should be limited to the sum required to defray the actual expenditure incurred for the protection of the public.

That, no doubt, is the true principle upon which such taxation should be levied, and the Committee hope it will always be acted upon in determining the scale of fees payable by the owners or occupiers of jute, cotton, or other warehouses licensed for purposes recognised by the Bill.

The Committee consider that these fees should be no higher than would be necessary to cover the expenses connected with the survey and license of such premises, and their opinion in this respect is supported by that of the Lieutenant-Governor whose instructions to the Calcutta Municipality were conveyed in Government of Bengal letter dated 15th February 1878, in the following words :—"*But His Honor is of opinion that the fees charged under the Act should be fixed in such a man-*

*ner as not to yield more than the sum required to render the fire-brigade self-supporting; and he would invite the Commissioners to keep this principle in view in dealing with all applications which may be made to them for reductions of the present assessment or for the issue of fresh licenses."*

The justice and propriety of this instruction to the Municipality are so unquestionable, that the Committee cannot but express their astonishment and regret that the Bill should contain provisions which involve a positive departure from the direction laid down in the above extract, for the 27th section of the Bill is entirely at variance, inasmuch as it contemplates the creation of a Fund which may present a surplus after payment of all expenses, and the application of such surplus to purposes other than that for which the fund is avowedly established.

The Committee respectfully protest against provisions which completely ignore the principle which His Honor has forcibly impressed upon the attention of the Municipality, and desire to urge the application of any surplus of the fire-brigade fund to the reduction of the scale of fees and penalties—the only legitimate purpose to which it can be applied.

With regard to the storage of oils of a dangerously inflammable nature, the Committee have been informed by importers of Kerosine oil from America, that they do not remember a single serious accident arising from its importation or storage, but that owing to careless domestic use, Kerosine oil has been ranked among extra hazardous articles. The raising the limit of temperature is strong-

ly deprecated on the ground that hitherto American oils have been of a character which has invariably satisfied the requirements of public safety, and because the importation and consumption of an article of almost universal use would be injuriously influenced, inasmuch as a higher flashing limit would involve a more refined process of manufacture and consequently a considerably enhanced cost of production.

The Committee are also informed that under present regulations the importation of Kerosine oil is attended with so many difficulties that the trade in the article has been greatly impeded, and that under more favourable regulations it could probably be largely developed. With that view importers inform the Committee that they would favor Government warehouses in suitable localities for the storage of Kerosine and other inflammable oils; and under such conditions, oils which flash at a less temperature than even 100 *Fahr*, could with safety be admitted.

The trade, however, could not bear heavy storage charges, and if Government warehouses were built, the charges should be simply such as to cover expenses and moderate interest on the outlay.

Section 16 provides a pecuniary penalty which in the judgment of the Committee is a needless provision, as they think it would be sufficient if the party in whose name the license stood were held in every respect personally responsible so long as the license remained untransferred.

*From the Government of Bengal to Chamber,*
*Calcutta, 1st March* 1879.

I am directed to acknowledge the receipt of your letter dated the 24th ultimo on the subject of the amendment of the existing law relating to jute warehouses and Fire-Brigades in the town and suburbs of Calcutta and Howrah.

With reference to para. 6 of your letter, I am to say that the provision in section 27 of the Bill regarding the disposal of the surplus of the receipts to which the Committee of the Chamber take exception, is merely a reproduction of a portion of the existing law, and that the Government will carry out the intention already expressed of so regulating the fees that the income shall be just sufficient to meet the cost of collection of superintendence and inspection of warehouses and of the maintenance of the Fire-Brigades. The Lieutenant-Governor therefore has no objection to the Bill being modified in accordance with this intention. The remarks contained in the last para. of your letter will be duly considered.

I am to add that the Lieutenant-Governor is of opinion that it will be necessary to postpone the difficult question of the best method of dealing with inflammable oils to next session.

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## STAMP ACT:—STAMPS ON POWERS OF ATTORNEY.

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THE Board of Revenue having issued a circular on this subject having retrospective effect, which seemed to the Committee to put an entirely new

and erroneous construction on the Stamp Act, a memorial was prepared and submitted to the Lieutenant-Governor exprsssing the Committee's views. This led to the withdrawal of the circular in question, as will be seen from the papers given below.

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To His Honor

THE HONORABLE SIR ASHLEY EDEN, K.C.S.I.

*Lieutenant-Governor of Bengal.*

*The humble Memorial of the Bengal Chamber of Commerce*

Sheweth,

1*st*.—That in the month of October now last past, Mr. C. T. Buckland, Member of the Board of Revenue, L. P. issued the circular of which a copy is appended hereto.

2*nd*. That immediately upon this order being put into force, it was represented to the Board of Revenue, through the Collector, by a firm of Solicitors in large practice in this city, that the order was "ultra vires," having been framed without any reference to the definition of the word 'Person' contained in Section 3 of the General Clauses Act 1868. This definition and that of a power-of-attorney taken from the Stamp Act are subjoined in parallel columns.

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|---|---|
| *Persons shall include any company or association or body of individuals whether incorporated or not.* | *Power-of-attorney includes every instrument (except a proxy) empowering a person to act in the stead of the person executing it.* |

*3rd.*—It was further pointed out to the Board by the same firm that as the Board, after putting an entirely novel (and, as it was submitted, erroneous) construction on the Stamp Act, goes on to direct that this construction is to have a retrospective effect, the matter became a very serious one, seeing that about 90 per cent. of English powers-of-attorney in this country would be thereby rendered temporarily inoperative; and the Board was therefore prayed to submit the order, which your petitioners are informed and believe was prepared without any reference to the law officers of the Government, for the opinion of the Advocate-General.

*4th.*—That the result of this representation was a letter from the Board to the effect that the expression "persons acting jointly" meant the same thing as a "body of individuals," but such is not the construction put upon the order by the Registrar of Assurance and other Government officials, by whom it is contended, that when A. B. C. and D., trustees of Z's marriage settlement, by power-of-attorney jointly *and severally* appoint E. their attorney, they are not persons acting jointly; and a stamp of 32 rupees is accordingly demanded by the authorities in lieu of 8 rupees only.

*5th.*—That the effect of the order is precisely what was predicted, *viz.*, that business on account of absent principals is simply at a stand still, partly from the reason given above, as all powers-of-attorney from two or more persons are joint and several to meet the contingency of one of the donors dying before the power is exhausted, and partly because donees of powers are very rarely joint even in the sense in which the Board of

Revenue would now wish their order to be read. Thus many powers-of-attorney are to A. and B. members of the firm of Z & Co. and C. and D. their assistants jointly and severally, and such a power would under the order require a 24 rupees stamp in lieu of 8 rupees only.

6*th*.—Your Memorialists concede that A could not by power-of-attorney bearing an 8 rupees stamp appoint B. to represent him at Agra, C. at Benares, D. at Cawnpore, &c. &c. ; and they imagine that the order now under discussion was framed with a view of defeating any attempts of that nature to defraud the revenue ; but as above set forth the authorities, subject to the Board of Revenue, have attributed to it a far more sweeping character, and great inconvenience and loss to the mercantile and other portions of the community is the result.

7. That your Memorialists would not have trespassed on your Honor's valuable time in connection with this matter save for its extreme urgency, which would really not brook the delay of a reference to the High Court under Sections 39, 40, and 41, of the Stamp Act ; besides which it is optional for the Board whether to refer cases or not.

Your Memorialists therefore pray that the opinion of the learned Advocate-General may be taken as to the validity of the above mentioned order, and that if he should be of opinion that it is "ultra vires," or that its wording

is of a nature likely to mislead the officials to whom it is addressed, the Board of Revenue should be directed to either cancel or amend the order as advised by him.

The Bengal Chamber of Commerce by their Secretary.

H. W. I. Wood.

*Calcutta, 27th November* 1878.

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*Circular of the Board of Revenue, No. 7.*

The Board notify for general information that a power-of-attorney appointing more than one person, except in the case of a firm or persons acting jointly, must bear the full amount of stamp duty for each person appointed under the deed.

2. Similarly, a power-of-attorney executed by more than one person, except in the case of a firm or persons acting jointly, must bear the full amount of stamp duty for each separate executant under the deed.

3. With a view to enforce the observance of the law, all revenue officers are informed that it is their duty to take action under Section 23 or 24, as the case may be, of Act XVIII of 1869, when insufficiently stamped powers-of-attorney are produced before them.

4. District officers are also reminded that it is their duty to require on each occasion the production of the power-of-attorney by virtue of which any act is to be performed before them.

*From the Govt. of Bengal to the Chamber.*
*Calcutta, the 5th December* 1878.

I am directed by the Lieutenant-Governor to acknowledge the receipt of the memorial of the Bengal Chamber of Commerce, dated 27th ultimo, regarding a circular issued by the Board of Revenue on the subject of the stamp duty payable on Powers-of-Attorney executed by, or in favor of, more than one person, and to say that the circular in question will be withdrawn, and that the difficulties which have arisen in connection with the stamp duty on Powers-of-Attorney of the kind above referred to will be settled in the new Stamp Act now under the consideration of the Government of India.

## STAMP ACT:—STAMPING DOCUMENTS BEFORE EXECUTION.

THE rules framed by Government under the Indian Stamp Act 1879 as first published, were found to contain a provision that all instruments requiring to have impressed stamps should be completely written out, but not executed, before being taken to the officer whose duty it is to see the proper stamp impressed upon them. As this would have led to a very serious interference with the business of the port, the Committee at once made a strong representation to Government on the subject, with the result that the practice hitherto observed, which allows certain instruments—such as bills of exchange, bills of lading,

and policies of insurance—to be stamped before being written out, has been continued.

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*From Chamber to Government of India.*

*Calcutta, 5th April* 1879.

THE Committee of the Chamber of Commerce have received very urgent representations from merchants and Bank managers regarding the excessive inconvenience to which the business of the port will be exposed if the provision of Rule 8 in respect of impressed stamps published in the *Gazette of India* of 22nd ultimo is enforced.

That Rule declares that upon any instrument mentioned in Rule 6 being brought to the Collector, *after it is completely written but before it is executed,* and application being made to him for that purpose, that officer shall affix a stamped label of required value and deface the same before returning the instrument to the applicant.

Among the enumerated instruments are—(6) bills of lading, (13) policies of insurance, (17) bills of exchange payable otherwise than on demand, drawn in British India; and it is with regard to these that the Committee of the Chamber have received the most pressing remonstrances and urgent request that the matter be forthwith submitted for the consideration of the Honorable the President in Council; and the Committee recognise the gravity of the matter and the very serious interference with the ordinary shipping and exchange operation of merchants, which will be involved in the observance of the Rule, by submitting their earnest representation against its provision, and their respectful request that orders may be promptly

issued to the Government of Bengal in order that the instruments referred to may be exempted from the operation of the Rule.

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*Telegram from Chamber to Government of India.*

*Calcutta, 5th April* 1879.

CHAMBER earnestly applies for exemption of bills of lading, policies of insurance, and bills of exchange from operation of Rule 8 regarding impressed stamps with effect from 15th instant.

Mercantile and banking business will be seriously interfered with.

Particulars by post; early reply requested.

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*From Government of India to Chamber.*

*Simla, 7th April* 1879.

Will it suffice to omit from Rule 8 the six words *after it is completely written but—*

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*From Chamber to Government of India.*

*Calcutta, 9th April* 1879.

THE Committee of the Chamber of Commerce direct me to acknowledge the receipt of your Telegram in reply to the message despatched on the 5th instant.

The Committee are greatly obliged for the promptitude with which their application has been considered and answered, and beg me to convey their thanks for the immediate attention which their reference has received.

The proposed omission of the six words *after it is completely written but*—in Rule VIII will sufficiently meet the case submitted, being practically a continuance of the present practice in respect of the stamping the instruments referred to—*viz.*, bills of lading, policies of insurance and bills of exchange, and the disturbance of which would have been attended with very serious inconvenience to banking and mercantile operations.

A copy of my reply to your telegram despatched yesterday is annexed.

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Chamber thanks you for your reply. Accepts proposed omission of the 6 words in Rule 8 as sufficiently meeting their case.

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*From Government of Bengal to Chamber.*

*Calcutta, 10th April* 1879.

I AM directed to state for the information of the Chamber of Commerce that Rule 8 of the Rules * lately issued by the Government of India under the new Stamp Act of 1879, is under revision by that Government, and that the Collector of Calcutta and the Superintendent of Stamps, Calcutta, who are authorized under Rule 7 to affix stamped labels to instruments mentioned in Rule 6, have been directed to construe Rule 8 as if the words "after it is completely written but" were omitted therefrom.

* Published at page 279, Part I of the *Gazette of India* of 22nd March 1879.

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## STAMP ACT:—PROPOSED MODE OF STAMPING INSTRUMENTS LIABLE TO STAMP DUTY.

THE Committee were asked by Government some months ago to give their opinion with regard to a proposal to substitute impressed for adhesive stamps in the case of certain instruments, as to which it is at present optional with the public to use either. Government have reason to believe that there is considerable evasion of the law in cases where adhesive labels are optional, and desire, with a view to prevent this and at the same time to increase the stamp revenue, to restrict the use of such labels as much as possible. It will be seen from the accompanying correspondence that they propose to issue to the public impressed stamp forms simply for the price of the stamps. In cases where there is usually no variation in the terms of the instrument—such as demand promissory notes, receipts, &c.,—the Committee are of opinion the experiment might be tried in the first instance, leaving it optional with the public to use adhesive labels as at present or the new impressed stamp forms Government propose to issue.

*From Government of India to Chamber.*

*Simla, the 9th November.*

In forwarding for the information of the Chamber of Commerce the accompanying Memorandum, dated 5th October, on the question of the most convenient method for the levy of the stamp-duty upon certain instruments, I am directed to invite particular attention to three last paragraphs thereof.

2. The enquiries suggested in the penultimate paragraph are being conducted by Mr. J. E. O'Conor, Assistant Secretary in the Department of Revenue, Agriculture and Commerce; and His Excellency the Governor-General in Council will be glad if the Chamber will assist that gentleman in his investigations, and also if the Chamber will favor the Government of India in this Department with an expression of its views on the subject.

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*Memorandum in regard to the mode of stamping instruments liable to Stamp-duty under the New Stamp Bill.*

Under the provisions of Section 10 (of the Bill), the following instruments may be stamped by means of adhesive labels, to be affixed by the holders or makers of the Instruments :—

I.—Foreign bills and promissory notes, *i.e.*, bills of exchange or promissory notes drawn or made out of British India, but used or negotiated within it.

II.—Share transfers, when the transfer is effected by endorsement.

III.—Instruments subject to stamp-duty of one anna only.

These last are—

(*a*) Agreements relating solely to sales of Government securities, shares, or bills of exchange;

(*b*) Bills of exchange, and promissory notes payable on demand;

(*c*) Cheques;

(*d*) Certificates of title to shares, scrip or stock;

(*e*) Broker's notes;

(*f*) Delivery orders in respect of goods exceeding twenty rupees in value;

(*g*) Letters of allotment of shares, &c.;

(*h*) Notes or memorandum in respect of account current debts or demands for an amount exceeding twenty rupees;

(*i*) Proxies;

(*j*) Receipts for money, &c., exceeding twenty rupees in amount or value;

(*k*) Shipping orders;

whilst for all other instruments subject to stamp-duty, impressed stamps must be used, "*unless the Governor-General in Council otherwise directs*": the intention of these last words being, not merely to provide an alternative mode of stamping instruments liable to duty, and for which the impressed stamp is ill-adapted, but also to give the utmost freedom to the Government to vary the manner of collecting its stamp revenue as circumstances may render desirable.

I have, in a former note, drawn attention to the recommendation of the Stamp Committee of 1876 in regard to the supply for sale of receipt and cheque forms, duly stamped; for, although the public have the option of using adhesive stamps for these and all other instruments subject to one-anna duty only—and it was, for obvious reasons, expedient to enact that the public should have such option—yet, as the interests of the revenue are better protected by the use of stamped forms, it seems desirable to endeavour to induce the public to use such

forms, if they can be supplied on such terms, and in such a shape, as will tend to even greater convenience and advantage than the general use of adhesive stamps.

It seems likely that forms not only of cheques and receipts but also of the instruments marked above, (*b*), (*d*), (*e*), (*f*), (*g*), (*i*), (*j*), and (*k*), could be supplied for sale to the public on such conditions as would afford the same inducement to persons requiring stamps to use them preferentially to the adhesive stamps, as is offered in the case of stamped envelopes for postal purposes.

Then, as regards the instruments, above adverted to, liable to stamp-duty, but for which the impressed stamped paper is unsuitable, it will be necessary to prescribe by rules the mode of stamping to be adopted under the new law.

The existing practice in these cases is described in the Government Notification dated 14th March 1871, and is as follows:

(*c*) "The method of denoting stamps shall be as follows :—Special adhesive stamps of different colours and patterns for each value are to be applied by the denoting officer to instruments brought to be stamped by the public, and the stamps, after being applied, are to be defaced by a stamping-machine before such instruments are returned. The denoting officers shall, in all cases in which the value of the stamp is Rs. 20 or upwards, append his usual full signature on the instrument immediately under the stamp.

The instruments which are now ordinarily stamped by means of the "denoting procedure" just cited, and for which the bi-color impressed stamp is not adapted, are

detailed in the Notification above mentioned. They are—

| | | |
|---|---|---|
| 1. | Bills of exchange, and promissory notes payable otherwise than on demand. | These instruments are all liable to the *ad-valorem* rate of duty, without any maximum limit. |
| 2. | Bonds (Bottomry and Respondentia) ... ... ... | |
| 3. | Instruments evidencing an agreement to secure the repayment of loans, within a short period, made on the deposit of title-deeds or other valuable security. | |
| 4. | Policies of insurance ... ... | |
| 5. | Transfers of shares (by separate deed) ... ... ... | |
| 6. | Customs bonds ... ... ... | Subject to *ad-valorem* duty, with maximum limit of Rs. 5. |
| 7. | Articles of clerkship ... ... | Fixed duty Rs. 250 (according to the New Bill). |
| 8. | Petition to file specification of indenture, &c. | Fixed duty Rs. 100. |
| 9. | Articles of Association ... | Fixed duty Rs. 25 (according to New Bill). |
| 10. | Memorandum of Association ... | Fixed duty Rs. 15. |
| 11. | Appointment in execution of a power, &c., &c., made by any writing not being a Will. | |
| 12. | Declaration of any use or trust, &c., &c., made by writing other than a Will. | |
| 13. | Powers-of-attorney, when drawn up in the English form. | Subject to fixed duty— Rs. A. P. of (*a*) ... 5 0 0 or (*b*) ... 1 0 0 or (*c*) ... 0 8 0 According to the New Bill. |
| 14. | Affidavits ... ... ... | Fixed duty Re. 1 (according to New Bill). |
| 15. | Charter-parties ... ... ... | |
| 16. | Notarial acts ... ... ... | |
| 17. | Protests ... ... ... | |
| 18. | Agreements or indentures, &c., when drawn up in the English form. | Fixed duty Annas 8 (according to New Bill). |
| 19. | Notices of protest ... ... | |
| 20. | Bills of lading ... ... ... | Fixed duty Annas 4. |
| 21. | Warrants for goods ... ... | |

The Government Notification also extends the denoting procedure to—

"any instrument which is drawn up by attorneys, or in the English form, and in regard to which the use of the impressed bi-color stamp would obviously be inconvenient."

Under this Rule would probably come the following instruments ;—

| | | |
|---|---|---|
| 22. | Enrolment of advocates and vakils, under the Letters Patent of any High Court. | Fixed duty Rs. 10 (according to present Bill). |
| 23. | Enrolment of attorneys ... | |
| 24. | Composition-deeds ... ... | |
| 25. | Inspectorship-deeds ... ... | |
| 26. | Instruments of partnership ... | |
| 27. | Instruments of transfer of property under the Administrator-General's Act (II of 1874). | |
| 28. | Revocation of any use or trust | |
| 29. | Letters of license ... ... | |
| 30. | Instruments of apprenticeship | Fixed duty Rs. 5. |
| 31. | Instruments of dissolution of partnership ... ... ... | |
| 32. | Instruments of transfer of property from one trustee, &c., to other trustees. ... ... | |

This "denoting procedure," though supposed to have been fairly successful in protecting the revenue from losses by fraud, is certainly a somewhat clumsy contrivance ; and, in the case of many of the above classes of instruments--such, especially, as bills of exchange, instruments of loan, policies of insurance, transfers of shares (by separate deed), and bills of lading—gives no small inconvenience to the public.

The question for present consideration is, whether this form of stamping is to be continued, and embodied in the Rules required by the new Bill. It seems likely that forms of many of these instruments could be supplied for sale, with the required stamp impressed thereon ; and, if so, then the security of the revenue, and the greater convenience of the public, would alike be promoted by their general adoption.

Stamped forms of "customs bonds" are, I believe, already supplied on sale, and there would appear to be no

great difficulty in supplying stamped forms in the case of some instruments subject to a fixed duty, such, for instance, as those numbered 13, 14, 15, 17, 19, 20, and 21 in the foregoing list, and also some of the instruments coming under Nos. 1, 2, 4, and 5; that is to say, there are, probably, certain amounts amongst the *ad-valorem* duties which are in most common request, and stamped forms for such amounts might be provided tentatively.

But in order to come to any well-founded conclusion as to how far stamped forms would meet the public convenience, and could be supplied with a reasonable prospect of their being readily purchased by the mercantile public and others, it would be necessary to institute detailed local enquiries; and what I should recommend is, that some officer or officers in the Financial Department, and serving directly under the Government of India (not under the Local Governments), should be employed, if possible, in instituting careful enquiries, both as to the feasibility of supplying stamped forms in the case of instruments which may be stamped with adhesive stamps, and also those now stamped under the denoting process, in such a shape as would be acceptable to, and approved by, the mercantile and trading community for their general use, and as to the quantities of each different kind of form required, say, for a year's consumption.

These enquiries would have to be conducted in the several Presidency Towns, and in personal communication with the representative members of the Chambers of Commerce and Trades' Associations, as also other leading members of the mercantile and trading community whom the officers entrusted with the enquiry might be advised to consult.

If this suggestion is approved by the Government of India, and immediate action taken, it would be quite possible for the enquiries to be completed at each Presidency Town and the reports of the results of such enquiries submitted on the 1st proximo.

F. R. COCKERELL.

*5th October* 1878.

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*From Chamber to Government of India.*

*Calcutta, 27th November* 1878.

THE Committee of the Chamber of Commerce direct me to acknowledge the receipt of your letter No. 3807 of the 9th instant, forwarding a memorandum on the question as to the most convenient method of stamping certain instruments liable to duty under the new Stamp Bill.

In considering this reference the Committee had the advantage of discussing it with Mr. O'Conor at a meeting held on the 20th instant, and I am directed to place before you the conclusions at which they arrived.

It appeared to the Committee that with regard to some of the enumerated instruments subject to stamp duty of one anna only the substitution of impressed for adhesive stamps would be generally considered the more convenient arrangement, and that probably advantage would be taken of the offer of Government to supply duly stamped forms; but they were of opinion that that plan would be unsuitable to other documents, as a variety of objections, more

or less forcible, may be urged against the adoption of uniformity in respect to them, the want of which would render the proposed arrangement inoperative. Though perhaps not varying materially in their terms and conditions, documents like Bills of Exchange and Bills of Lading are issued in special distinctive forms to which banks and merchants would desire to adhere, and it would be inexpedient to attempt any uniformity in respect to these classes of instruments and such like.

The Committee would not object to the impressed stamp plan being introduced as a tentative measure, leaving it entirely optional, however, with the public to use adhesive stamps as at present, or to avail themselves of the official supply of impressed forms. If the former should continue to be held in favor as more convenient, the exercise of the preference should not be withdrawn, but if the latter should present sufficient inducement for business purposes they would naturally be in demand and the Government supply would be availed of.

The Committee do not fail to see that the impressed stamp would in some respects better protect the revenue; but they are at the same time of opinion that the public should rather be induced to adopt it than compelled to use it by any provision in the Stamp Act. The compulsory step might be taken hereafter if it can be conclusively shown that the use of adhesive stamps is exceptional and may with propriety, and without inconvenience to the public, be discontinued.

Of the several enumerated instruments the following only appear to the Committee suitable for preparation by Government on impressed stamp paper, from the general

uniformity with which they are respectively expressed ; *viz.*—

Promissory Notes payable on demand ;

Brokers' Notes ;

Delivery orders in respect of goods exceeding 20 rupees in value ;

Proxies ;

Receipts for money, &c., exceeding 20 rupees in amount or value.

Of instruments not enumerated it appears to the Committee that all Government forms, requiring to be stamped, the use of which is compulsory—such as Custom House passes and the like—might also be prepared.

A commencement might be made with these, and if the public demand for them confirmed the success of the experiment, the advantage and convenience derived from the change of practice may lead to an extension of the impressed stamp system and its application to other, instruments.

As to the quantities of each different kind of form that would be required for a year's consumption the Committee are not in a position to estimate them ; the only proximate estimate that could possibly be made would be by a reference to every establishment or individual engaged in business likely to use the specified forms.

## SYSTEM OF APPLICATION FOR PILOTS.

On receipt of a communication from the Government of Bengal inviting an expression of opinion from the Chamber upon certain changes proposed in the system of application for pilots, the Committee circulated amongst members of the Chamber all papers relating to the proposals before Government.

A majority of the firms consulted were in favor of maintaining the privilege which they enjoyed of selecting their own pilots; the minority appeared to think that the existing system had led to abuses and might advantageously be modified.

After "full and careful consideration," both of the views of ship agents and of a memorial proceeding from a number of the pilots themselves, the Lieutenant-Governor has decided that in future the employment of special pilots shall be limited to mail steamers; that a captain's right of application shall be confined to the pilot who may have brought his vessel up, and that gratuities to pilots shall be strictly forbidden under penalties.

*From Government of Bengal to Chamber.*

*Calcutta, the 20th February* 1879.

IN continuation of Mr. Reynolds' letter No. 3198 of 19th November 1877, regarding the system of applications for pilots, I am directed to forward a copy of a letter,* with its enclosures, form the Officiating Port Officer of Calcutta, from which it will appear that Messrs. Lash, Rutherfurd, and Wells, Branch Pilots, submit for the consideration and orders of Government the following proposals:

* No. 634A. of 31st January 1879.

(i) That an application on behalf of an outward-bound vessel should be confined to the pilot who brought her up the river, and that if an application be not put in for him, then the pilot of the turn in Calcutta should be appointed.

(ii) That, except on the Burmah line of mail steamers, special pilots should be abolished.

I am to request that the Chamber will be so good as to favour the Lieutenant-Governor with their views on these proposals.

2. The Lieutenant-Governor is disposed to approve of the limitation of applications in the way suggested. He has always felt that the practice gives rise to much abuse, and, on the testimony of the pilots themselves, this seems now to be fairly established.

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*From* LIEUTENANT F. WARDEN, *Officiating Port Officer, Calcutta, to the Secretary to the Government of Bengal, Revenue Dept.—No.* 634A, *dated Calcutta, the 31st January* 1879.

I HAVE the honor to forward, in original, proposals from Messrs. O. Lash, R. C. Rutherfurd and G. R. Wells,

Branch Pilots, to confine applications for pilots outward to certain given limits, also asking for the abolition of special pilots, excepting on the Burmah mail lines, with the request from those officers that their views may be submitted to His Honor the Lieutenant-Governor for consideration and orders.

2. Regarding the question of application, the grounds upon which the limitation appears to these officers desirable are—

1*st.*—To the end of equalising work in the grades;

2*nd.*—Prevention of what they call touting, or bringing improper influence to bear upon masters of vessels for applications to the detriment of brother officers; and

3*rd.*—Improvement of tone in the service by the independence and self-respect that will result from pilots' income ceasing to depend upon the patronage of masters of vessels.

In support of the proposition, Mr. Wells forwards a list of names, 36 in number, 34 of whom are running officers, of a present total of 52 running officers.

3. Grades, noted in the margin, which represent seven out of 11 Branch Pilots running, 22 out of 34 Master Pilots running, five out of seven Mate Pilots running, and includes the names of three special pilots, Messrs. Daly, Hudson, and Rayner.

Branch Pilots 6, 5 running and 1 in command.
Acting ditto 3, 2 ditto, and 1 ditto.
Master ditto 22.
Mate ditto 5.

4. This may be considered a fair representation of general feeling on the subject in the Pilot Service, and the list of names, while non-inclusive of several who are selected pilots for certain lines of steamers, and to whose

individual interests the proposal is opposed, does include many of the hardest working and most popular pilots, all of whom are in the habit of taking vessels by application. The list also contains the names of two officers in command of pilot vessels.

5. As to whether the result of such a limitation would have the effect of equalising work or not, I am of opinion that an experimental working of such a system could alone test that point,

6. I have no doubt whatever of the desirability of the proposed change on the second ground, that is, to put a complete stop to the mal-practices complained of. That improper pressure is brought to bear I had proof recently; the master of a vessel having completed arrangements with a pilot to take him down was intercepted while on his way to his agents, through whom the application was to come, and induced to change his mind and apply for another; the matter was referred and disposed of by appointment of the officer of the turn to the ship. Such cases, though I believe not unfrequent, are very rarely brought to notice, from a keen sense among the majority of the reflection cast on the reputation of the service by such actions.

7. General applications, therefore, are not necessarily a proof of the ability or reputation of the individual, but may be, and no doubt often are, the result of unscrupulous foraging, and by total abolition, or the alternative limitation, of applications, such mal-practices must cease, and a proper tone of independence in the relations between ship-master and pilot supervene.

8. His Honor the Lieutenant-Governor, in Resolution, Marine, No. 2521, dated 28th August 1877, paragraph 5, records his disapproval of the system, and "anticipates that at some future time the privilege of assignment of pilots on application will have to be abolished absolutely:" to the weighty reasons shown in the paragraph quoted against the system may be added the more economical working of the service by the less frequent need that should arise for supplying the cruizing station at Government expense, as self-interest will induce all voluntarily to seek work wherever it is most likely to be had.

9. I apprehend that the mercantile community, interested in shipping, will not relinquish, what no doubt they look upon as a privilege (the right of selection) so long exercised without some opposition, and, but for this, I would recommend the total abolition, rather than the modification, of the application system, believing the time anticipated by His Honor for that measure has now arrived; but in view of these interests, backed by the expressed wish of a large section of the Pilot Service, I would strongly recommend the limitation suggested being adopted as a tentative measure. That is to say, applications for pilots be permitted outward only to officers who have piloted the ships inward; in all other cases officers to be appointed by turn in Calcutta as at the cruizing station.

10. The question of special pilots, though involved somewhat in the foregoing, I will treat separately. I am of opinion, as previously stated in my No. 2522, dated 3rd July 1877, that special pilots are merely a matter of mutual convenience to agent and pilot, and not a necessity,

except in the case of the Burmah mail lines, on which the steamers of the British India Steam Navigation Company run the mails in conjunction with the mails to Europe, local mails alone being conveyed by the other lines employing special pilots; and this necessity only exists from April to November during the bad weather season when the loss of an hour or two looking for a pilot might be the means of missing a mail. That it is not necessary or desired by the agents or special pilots of the company in the fine season is sufficiently proved by the fact that the special pilots of these lines, with two exceptions, have recently resigned, and the agents have taken no steps to entertain others for the present.

11. The effect on the working of the cruizing station when the full complement of specials is employed is to reduce the number of available pilots by eight, as shewn in Mr. Wells' statement; to divide the duties of the stations, such as night watches and temporary command among a smaller number, to reduce the opportunities for general list officers to return on private affairs or on applications for ships; while it makes it more difficult for volunteers to obtain passages on their own account to the station as special steamers do not stop at the Sandheads.

12. It has been frequently necessary in times of pressure to take pilots out of their special steamers at the Sandheads, but it is not always possible to do so, and thus ships have been detained for pilots at the cruizing station, while pilots, whose presence might have prevented it, were carried off and their services lost to Government for the time.

13. By the "indulgence and consideration" of the service to which the origin of the special pilot system is at-

tributed by Mr. Wells, Mr Wells intends to convey that the appointment of Mr. Daly (the first special pilot) to the French mail steamer in 1865 was not opposed or represented to Government as a grievance at the time by the Pilot Service out of personal consideration for Mr. Daly, who was suffering from the effects of a gun accident.

14. I would recommend to His Honor's consideration the abolition of special pilots (with the exception of those on the Burmah mail lines, where they are of real service to the public), on the grounds advanced and as inconsistent with the equitable and economical working of the Pilot Service.

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*From* O. LASH, ESQ., *Branch Pilot, to the Port Officer, Calcutta.—Dated Calcutta, the 1st December* 1878.

MAY I be allowed to draw your attention to two subjects connected with the present working of the Pilot Service, and beg your consideration of them, hoping you will bring the matter under the notice of His Honor the Lieutenant-Governor of Bengal. I allude to "the present system of application for pilots," and the custom of allowing certain lines of steamers *special pilots.*

The custom of making an application for a particular pilot, on a vessel's departure from town, has always existed; and was allowed, in the first instance, principally for the purpose of enabling the commander of a vessel to apply for the pilot down who had piloted his vessel up the river; in fact, so universal was this custom that an omission of it was looked upon as a slur on the professional reputation of the pilot so treated, and I think I am correct in saying that the custom of taking the pilot

down who satisfactorily piloted a vessel up is prevalent throughout the whole world. Since the introduction of "free pilotage" the inducement to work was so much practised that "different influences" were frequently brought to bear on a commander to induce him to apply for "another" in the place of the pilot who had taken his vessel up, of course to the detriment of the man so reflected; when the trade of the port was brisk this did not interfere very materially with the result of an officer's earnings, but the custom is a bad one, as it frequently creates much ill feeling amongst men who as brother officers ought to live together in unity.

During last year, when, in consequence of the Madras famine, the number of vessels trading to the port was greatly increased, it was deemed expendient to put a stop to applications; and as vessels were ready to sail the officer of the turn on the grade to which the vessel belonged was appointed, and in time of great pressure this rule worked well.

I, therefore, respectfully request, and in doing this I am expressing a feeling shared by a large number of brother officers, that, remembering the principle on which applications was first allowed. "that applications should be allowed only for the officer who had piloted the vessel up and in his absence the officer of the turn should be appointed," this would divide the workmen equally, would be an incentive to officers to seek work at the Sandheads, and would insure the ship an officer of the grade to which her size entitled her, whereby large vessels would secure senior officers; would most likely prevent such mistakes as were committed by the commanders of the *Cawdor*

*Castle* and *Queen Anne*, where the commanders applied for inexperienced officers of a junior grade to the one by which vessels of their class are piloted, resulting in total loss; and finally would put a stop to a system of touting discreditable to any officer who has the honor to serve the Government

I trust these different reasons will weigh with you in the consideration of this subject.

2. The system of "special pilots" is of much more recent establishment, the British India mail steamers and the Peninsular and Oriental at the time they carried the mails being the first who carried them.

At this moment these two lines, with the Bombay coast boats, one of the China monthly steamers, the French mail and the Chittagong steamer, all carry special pilots, and two other lines of steamers bi-monthly have "special pilots" down, so that the most lucrative portion of the pilotage visiting the port is confined to a few, for no special merit of their own. I would respectfully observe that this is unfair to the great body of the service, more especially at a time like the present when trade is dull and likely to continue so.

I would point out that in all these cases a "special pilot" is absolutely unnecessary, with the exception of the Burmah mail steamers, which are bound to be in time for the English mail. The Peninsular and Oriental are, I believe, under a penalty if late, but they have a wide margin of time.

Officers employed on "special piloting" escape all their duties on board a pilot vessel, and therefore throw

the onus of the work on their less fortunate brother officers. This consists in taking command in the case of branch pilots, and in the south-west monsoon considerably increases the number of night watches of the other officers; their absence from the pilot station also lessens the opportunities given to officers of returning to town to meet their engagements there; for, to obtain that permisson, it is necessary that fifteen pilots should be at the station, and, lastly; in a time of great trade their absence often contributes towards the detention of vessels at the Sandheads for want of pilots.

Again special pilots are not confined to the vessels of their grade. At the late distribution of tonnage all vessels over thirteen hundred tons were accorded to the branch pilots grade: a master is the special pilot for the Western Coast boats, numbering eight steamers a month, all of that size which were allotted to the same grade. A China mail steamer is also piloted by an officer of an inferior grade.

I therefore pray that special pilots be disallowed, except in cases of mail steamers under penalty, and that vessels taking special pilots should select them from the grade to which the vessel belongs.

I trust this subject also may gain your favorable consideration.

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*From* R. C. RUTHERFURD, ESQ., *Branch Pilot, Commanding Chinsurah Pilot Vessel, to the Offg. Port Officer, Calcutta.—Dated Calcutta, the 8th December* 1878.

The subject of applications having been much discussed of late by the officers of the service, I beg to lay before

you my views thereon :—

(1). It is generally agreed that were an application down granted only to the officer taking the vessel up the river, and failing him be given to the first on turn of that vessel's grade of tonnage, there would be no cause for the jealousies and ill-feeling so prevalent among us.

(2.) This system would insure each one more regular work ; dispense with the state of uncertainty in which all, more or less, remain till they actually file an application ; would completely paralyze the practise of touting, which had crept into the service during the days of great scarcity of work, and still obtains ; would insure, in the future, to the young service now growing up a position of more self-respect, and would materially tend to restore the old status and *esprit de corps*, so much lowered of late years.

(3.) It would check the practice of an officer transferring a vessel over to another, regardless of his abilities, in the hope of his being able to do the same by him when two or more of his ships were leaving together.

The system of special pilots (which originated in the good nature of the service towards a brother officer, who was injured and unable to climb ships' sides in heavy weather) has grown, in the course of years, from that individual instance into its present form.

There is a strong element of unfairness to the body of the service in its present working.

service, and from the conversation I have had upon the subject there seems to be a general wish to show His

Honor that they are willing to be placed upon the test of their own abilities, showing a measure of confidence and emulation not to be lightly passed by, as well as an appreciation of the interest His Honor has thought fit to display in the matter, having for its object to raise the tone of the service, which could not, in my opinion, be more opportune, as the young men lately appointed by the Secretary of State will grow up in this purer atmosphere, resulting in a better discharge of their duty than ever can be brought about by the system of touting as at present existing.

2. The reason why the application for the vessel taken up is asked for down, is that it will secure to the industrious officer a larger share of work than if it were ruled otherwise.

*Example.*—A. brings up a vessel and is at the Sandheads with an early turn when she is almost ready for sea. Having the vessel secured to him, he would remain as long as he could at the Sandheads giving the Government and himself the best use of his time, whereas now an application is often accepted long before there is any need, simply because there is an uncertainty attached to it, he not knowing what influence may be brought to bear upon the captain during his absence; and an officer who has returned from the Sandheads on an application often finds that he could have brought up a vessel, and yet have been up in ample time so that he pilots the outward-bound ship only, instead of having one each way because he considers it the best and safest policy to secure the one down*.

* Vessels outward being generally laden deep draught.

If no applications at all were allowed, some officers would prefer half the amount of work from town than double the amount both ways. This would necessitate more frequent station orders, entailing extra expense to Government, whereas the application for the vessel a pilot takes up would induce the industrious officer to be at that end of the river where his services would be the soonest in requisition, and would prevent any officer from waiting in town for a vessel by turn, not knowing when the pilot entitled to her by application would turn up. After waiting thus for some days, in the event of a station order, he would subject himself to be ordered down instead of having gone there of his own accord, and made the best use of his time.

3. The arguments advanced in paragraphs 1 and 2 cannot, I think, be complete, without bringing forward the following innovation, which has now become a hardship to the rest of the service.

In consequence of the extension of the application system, a number of officers are allowed to go away to the destination (or first port of call), of the steamers they are special pilots to, and return in them (or others belonging to the same Company), piloting them up the river, and this implies during the south-west monsoon the absence from duty on their grade as pilot of no less than eight, viz. :—

| Nos. | Rank. | Special Pilots. |
|---|---|---|
| 1 | Branch | P. and O. Steamers. |
| 1 | Ditto | French „ |
| 1 | Master | China „ |
| 3 | Ditto | B. I. S. N. Burmah line. |

1 Master B. I. S. N. Bombay line
1 Mate Ditto Between Calcutta and Chittagong

8

During the south-west monsoon I need scarcely mention that the life on board a pilot vessel, exposed to all weathers, is no mean component part of the duties devolving upon the Pilot Service. It deprives (in consequence of specials) the branch pilots grade of two active members, in sharing the duties of temporary command of pilot vessels, and in the case of Master and Mates of no less than six to share the duties of night watches, as well as eight less chances of returning to town, to the rest of the service (not engaged as special) the number 15 being ordered to be kept at the Sandheads irrespective of rank. This sometimes deprives the officer who wishes to return for a vessel the same opportunity of doing so as if all were present doing duty in pilots' water, and this deprivation means in slack times, to those below the rank of branch, their only income for the month.

In the case of the Master Pilot running the British India Steam Navigation Company's steamers on the Bombay line, he going in them to and fro from Calcutta to False Point, it secures to him a branch pilot's tonnage, as most of the steamers on that line are over the master's tonnage.

Special pilots originated through the indulgence shown by the service to a brother officer, who, by a gun accident, was *then* unable to get up ships' sides, little thinking it would be so extended as to militate against their interests as the above statement goes to show.

Of all the special pilots mentioned I would respectfully urge that, to the best of my judgment, there does not seem to be any sufficient reason for the arrangement in any one case, except that of the Eastern Burmah line. The mails by this to catch our time of posting to Europe, viz., on Fridays at 7 P.M., is run with a very small margin, a loss of a day, or even a few hours, meaning the loss of the mail. This, in my opinion, ought to be conceded, first, as regards intelligence of importance to Government; secondly, to the advantages accruing to the commercial community of British Burmah; and, lastly, to the owners of the steamers, who have accepted the mail contract at a rate of speed which only enables them to deliver the mails without any margin for delays, which a greater rate of speed would secure to them.

ORIGINAL.

We the undersigned wish it to be ruled that the pilot who brings the vessel up the river should take the vessel down; if the master of the ship does not wish to apply for the pilot who brought him up, the pilot of the turn according to her tonnage be appointed:—

Many men lose their opportunities of returning as passengers to port, for their own vessels, because the number of 15 is not complete or exceeded, and yet see day by day one or other of those favored few pass in or out, with their month's pay secured to them, avoiding the unpleasant duties of their respective grades on board the brigs; escaping being sent to the Heads when pilots are wanted, and so causing others to go in their place, who most probably had work before them two or three days later on, which they become deprived of by the station order.

This frequently signifies a complete upset of their prospects for that month.

The officers running as specials are not restricted to their tonnage; are not selected for any superior qualifications, and, with the exception of those in the Eastern Coast mail boats, are not entitled to such consideration, to the detriment of their brother officers.

For seven months in the year the probability of detention to any of the special lines is slight; during the remaining five, viz., from 1st June to 31st October, the Eastern Coast mail boats would lose considerable time occasionally, and should, therefore, be granted special pilots for those months. Frequent station orders are the rule of late, which would (were each man doing his proper share of work) be less likely to be required, and the expense to the department materially decreased.

On the point of delay none of the other lines can advance fair grounds for retaining their specials, but at present the major portion of the shipping community have cause for complaint, as those officers' absence from the cruizing station deprives many vessels of their services, to which they are equally entitled.

I may put the following case as not inapplicable to the subject generally, and as there are no grounds for supposing that other Companies asking for specials would not have them appointed, viz., were the French mail, the two China and the Port Blair boats to take officers of their tonnage during the south-west monsoon (which has already been partly done, and more than once hinted at applying for the Port Blair steamer), where would the

Branch Pilot, come from to fill any temporary commands, and would they who had been longest exempted be removed, as in fairness they should be, or would the remaining two or three have to bear all the inconvenience and loss?

I respectfully urge that, under the present working of the service, the few accidents occurring, and the general satisfaction given to the mercantile community, the system of special pilots, and that of general applications, should no longer exist and a trial at least be granted.

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*From* J. R. WELLS, Esq., *Branch Pilot, to the Officiating Port Officer.—Dated Calcutta, the 30th December* 1878.

SINCE my return from Europe, on the 24th October 1878, I perused the Resolution, Marine, of August 1878, and find that His Honor the Lieutenant-Governor speaks of the application system, as at present existing, subject to many abuses, and anticipates a total abolition of applications at no very distant period and the appointing pilots to ships by turn. I have made it a matter of discussion amongst the service, and beg to forward the accompanying list of names, who are willing that, for the present, a modification of the rule regarding applications rather than a total abolition should, if it be approved of by you, be recommended to His Honor's favorable consideration; and with the hope that it may be given a fair trial, I beg to submit the following arrangements in its favor:—

1. During the late famine and the pressure of work thrown upon the service, it was thought expedient that applications should only be allowed when a vessel left the

following morning. This caused a great number of ships to fall to the pilot of the turn in town. The work performed under this ruling seems to have been executed very satisfactorily, so much so that His Honor was induced to express his approbation of the manner the service acquitted themselves under so heavy a pressure ; and from what I can gather the feeling of the service on the subject now submitted for approval originated from two causes, first, from perusal of His Honor's remark respecting applications already alluded to by me; second, that the restriction put upon applications during the famine had worked satisfactorily to the general body of the

| Name. | Rank. |
|---|---|
| J. P. B. Le Patourel .... | Branch Pilot. |
| R. M. Daly ... | Ditto. |
| J. R. Wells ... | Ditto. |
| David John Scott ... | Master Pilot. |
| O. Lash ... | Branch Pilot, |
| R. C. Rutherfurd ... | Ditto. |
| W. O'B. West ... | Acting Branch Pilot. |
| J. H. Lambrick ... | Master Pilot. |
| Thomas Reddie ... | Ditto. |
| Edward F. Hudson ... | Ditto. |
| H. Lindquist ... | Ditto. |
| G. M. Anderson ... | Ditto. |
| F. Ancell ... | Acting Branch Pilot. |
| B. Mauger ... | Licensed Master Pilot. |
| Thomas Doggett ... | Senior Master Pilot. |
| S. Ransom ... | Ditto. |
| R. Rust ... | Master Pilot. |
| James Christie ... | Ditto. |
| N. T. Wawn ... | Ditto. |

| | | |
|---|---|---|
| A. Marshall | ... | Mate Pilot. |
| W. T. Wawn | ... | Ditto. |
| J. D. Bennett | ... | Junior Master Pilot. |
| J. M. Barnett | ... | Acting Branch Pilot. |
| C. A. Lidstone | ... | Licensed Senior Master. |
| F. T. Rayner | ... | Master Pilot. |
| W. Kendal | ... | Mate Pilot. |
| A. W. Phipson | ... | Master Pilot. |
| L. P. Goodwyn | ... | Ditto. |
| C. S. Mills | ... | Ditto. |
| A. Mauger | ... | Mate Pilot. |
| Dudley F. Miller | ... | Licensed Senior Master Pilot. |
| John Ralph | ... | Junior Master Pilot. |
| C. J. Wortley | ... | Licensed Mate Pilot. |
| C. Heard | ... | Branch Pilot. |
| M. McCaskill | ... | Master Pilot. |

**MEMORANDUM.**

MANY of the officers who have attached their names to this document consider it of the utmost importance that special pilots, except for the Burmah line, should be abolished.

(Sd.) J. R. WELLS,
*Branch Pilot.*

*The 30th December* 1878.

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*From Chamber to Government of Bengal,*

*Calcutta, 10th April* 1879.

THE Committee of the Chamber of Commerce direct me to acknowledge the receipt of your letter No. 248, of the 20th February last, regarding the system of application for pilots, and to forward, as a reply to your reference, the annexed minutes by some of the principal

consignees of vessels, who are almost unanimous in the opinion that no change should be made in the present practice.

The Committee understand that Messrs. Mackinnon, Mackenzie & Co., on behalf of the British Indian Steam Navigation Company, the Superintendent of the Peninsular and Oriental Steam Company, and the Agent for the Messageries Maritimes, have addressed you separately on the subject, and that they also are opposed to any change.

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*Darjeeling, the 8th May* 1879.

RESOLUTION.

READ AGAIN—The Resolution of the Government of Bengal, in the General (Marine) Department, dated the 28th August 1877, regarding the system of applications for pilots, and the practice of employing special pilots on board mail steamers.

Read also—Lettert to the Secretary to the Chamber of Commerce, Calcutta, No. 2522, dated the 28th August 1877.

Letter from the Secretary to the Chamber of Commerce, Calcutta, dated the 31st October 1877.

Letter to the Secretary to the Chamber of Commerce, Calcutta, No. 3198, dated the 19th November 1877.

Letter from the Officiating Port Officer, Calcutta, No. 634A., dated the 31st January 1879, and enclosures.

Letter to the Secretary to the Bengal Chamber of Commerce, No. 248, dated the 20th February 1879.

Letter to Messrs. Mackinnon, Mackenzie & Company, and the Agents of certain other mail lines, Nos. 249-253, dated the 20th February 1879.

Letter from the Superintendent of the Peninsular and Oriental Steam Navigation Company, dated the 1st March 1879.

Letter from Messrs. Jardine, Skinner & Company, No. 1455, dated the 4th March 1879.

Letter from the Agent, Compagnie des Messageries Maritimes, No. 830, dated the 7th March 1879.

Letter from Messrs. Mackinnon, Mackenzie & Company, No. 135, dated the 8th March 1879, and Nos. 31-509, dated the 13th March 1879.

Letter from Messrs. Apcar & Company, No. 217, dated the 2nd April 1879.

Letter from Secretary to the Bengal Chamber of Commerce, dated the 10th April 1979.

In the Resolution dated the 28th August 1877, cited in the preamble, the Lieutenant-Governor recorded his opinion that the system under which commanders or agents of ships of all sizes have the privilege of applying for particular pilots to pilot their vessels to sea was subject to many abuses, and a hope was expressed that the total abolition of the application system might be possible at no very distant date. The rules which then governed the system were stated to be the following :—

(1.)—Applications are only allowed to hold good for a limited number of days—seven for a branch pilot, and three for all other pilots ; and any pilot for

whom an application has been filed is not liable to be ordered off on station or other duty if there is a sufficient number of pilots on the list, without applications, who are available for duty.

(2.)—A pilot in town for whom an application has been filed is bound to wait till that ship is ready to start, and is not allowed to take away another vessel in the meantime, and return to town for the first ship.

(3.)—A pilot is not allowed to return from the Sandheads as he pleases, to take up an application which he knows will be made for him; but he is allowed so to return if there is the minimum number of pilots (which has been fixed at 15) outside, and if he actually has the application with him to show.

(4.)—If a pilot returns from the Sandheads on an application, and finds that the vessel will not leave for some time, he is not allowed to take another ship down, but must either wait for that vessel, or return to the Sandheads at his own expense. Again, if the vessel applying for him has sailed in his absence, he cannot take another down, but must return to the Sandheads before he can put in another application.

(5.)—Applications are not allowed to be filed for any pilot within seven days of his filing a medical certificate or application for leave.

2. As the system of applications had, in one form or other, existed for many years, and could hardly be abolish-

ed summarily without causing discontent, the Lieutenant-Governor at that time considered that a modification of the rules regarding applications, rather than a total abolition of the system, would be sufficient, and accordingly the following modification in its working were sanctioned :—

(1.)—Mate pilots were in future to be restricted to vessels of their own tonnage, but were to be allowed (with the permission of the Master Attendant) to pilot down the river, on application, vessels above their own tonnage, which they had piloted up satisfactorily.

(2.)—Junior master pilots were to be restricted to vessels of their own tonnage until they had been a year in the grade of junior master, except in the case of vessels which they might have piloted up, when their applications would be allowed with the permission of the Master Attendant.

(3.)—Applications were not in future to be signed by masters of vessels and filed by the pilots themselves, but were to be sent direct to the Master Attendant by the agents, who, it was understood, would be able to state most accurately the date of the departure of the vessel from the port.

(4.)—Branch pilots were in future to be permitted to move vessels over 22 feet draught without the permission of the Master Attendant.

3. As regards the question of the appointment of special pilots to certain lines of mail steamers (which is practically only a modification of the system of appli-

cations), the Lieutenant-Governor was of opinion that little harm was done to the service generally by allowing this practice in ordinary times while it was undoubtedly a convenience to the public; and it was decided not to interfere to stop it.

4. In giving the orders above referred to, the Lieutenant-Governor was under the impression that not only the mercantile and shipping communities, but the pilots themselves, were strongly in favour of continuing the system of applications. In January 1879, however, a representation was submitted to Government, signed by 36 members of the Pilot Service, 34 of whom are running pilots, in which it was proposed—

(1)—That the application on behalf of an outward-bound vessel should be limited to a request for the services of the pilot who brought the vessel up the river, and that if an application were not put in for him, or he was not available, then the pilot of the turn in Calcutta should be appointed to take the vessel to sea;

(2)—That the system of carrying special pilots be discontinued in all save the Burmah line of mail steamers.

5. The arguments used in support of the first of these proposals may be thus summarised—

(1)—That in its origin the system of applications was intended only to enable a ship-master to take the pilot down who had satisfactorily piloted his vessel up the river;

(2)—That the system is not necessary to the safe-pilotage of vessels, as shown by the fact that when a pressure of work has taken place, as in the late famine, and there has been an unusual demand for pilots, the practice of allowing applications has always had to be stopped, the pilot of the turn being posted to any out-going vessels: yet no evil results have followed from such a stoppage of applications;

(3)—That to limit applications as proposed would have the effect of equalizing work, would induce men to seek work at the Sand-heads more readily, would secure to large ships pilots of the grade to which their size entitled them, and would put a stop to the system of pilots "touting" for ships and transferring their applications to others for a consideration.

6. The arguments advanced against the system of special pilots are these—

(1)—That it is unfair to the rest of the service, who thus lose their chances of taking charge of mail steamers, and have an under share of work to do, of an unremunerative kind, on board the pilot brigs;

(2)—That the special pilots are not confined to vessels of their own grade or tonnage;

(3)—That the only mail line of steamers on which special pilots are really required, to save delay at the Sandheads, is the Burmah mail line, which is timed so closely to catch the out-going Eng-

lish mail from Calcutta, that the loss of a day, or even a few hours, at the Sandheads may involve missing the mail.

7. This representation was referred, under the Lieutenant-Governor's orders, to the Bengal Chamber of Commerce, and to the agents of the principal mail lines of steamers. As might have been expected, the majority of the mercantile firms consulted are in favour of maintaining their existing privileges of selection in the matter of pilots, while the agents of the mail steamers urge strongly the advantage to the public of the system of special pilots.

8. The arguments advanced for the continuance of existing arrangements regarding "applications" are these—

(1)—That ship-owners and agents have a right to choose their own pilots, as theirs are the interests at stake;

(2)—That the right of selection offers an inducement to pilots to exert themselves and to work so as to please;

(3)—That, if this privilege be withdrawn and applications restricted, as proposed, the pilots would work as they liked, unless the old bonus system were revived.

9. After full and careful consideration of the whole question, the Lieutenant-Governor is of opinion that the arguments advanced in favour of restricting the agents right of application to a request for the services of the pilot who brought the vessel up are far more cogent than those in favour of giving ship-owners and agents the liberty of selecting any pilot they choose. It is quite inconsistent

with the rules for the assignment of pilots to vessels according to grades and tonnage, to concede to ship-owners or agents any absolute right of selection. The Government does all it can to secure in the members of the Pilot Service the necessary qualifications for their arduous duties. It allows no man to undertake the charge of vessels of great size until he has had years of experience, and until his abilities have been tested by repeated examinations; and the allotment of pilots to vessels at the Sandheads is made strictly in accordance with the rules regulating the duties of the different grades. It may chance that a junior officer is, in the absence of his seniors, appointed to the charge of an in-coming vessel beyond his proper tonnage; and if he gives satisfaction in the discharge of his duties, there can be no objection to the owners or agents of the vessel applying for him to pilot her to sea again. But the practice of applying in town for any pilot recommended by interest or favour not only deranges the regular working of the service, but tends to place the pilots in false relations with the agents of vessels and with one another. There is no doubt, moreover, that a discreditable system of touting for and selling applications has grown up at times out of the practice, and proved most demoralising to the tone of the service. The Lieutenant-Governor is therefore pleased to accept, as a final settlement of the question, the proposal now made by the pilots themselves, that applications should be limited to a request for the services of the pilot who brought the vessels up, and that, failing him, the pilot of the "turn" should be appointed to take her to sea.

10. In regard to "special pilots," the Lieutenant-Governor considers that the objections raised against their em-

ployment by those members of the service with whom the system is unpopular are entirely one-sided. So long as Government retains the right of withdrawing these pilots on an emergency or in times of pressure, and so long as there is a sufficient supply of pilots for duty on the pilot brigs, &c., the Lieutenant-Governor sees no objection to the present system, and sanctions its continuance, subject, however. to the following conditions :—

(1)—That the employment of "special" pilots shall be confined strictly to mail lines of steamers ;

(2)—That no pilot below the grade of senior master shall be allowed to run as a "special," save for vessels of his own grade and tonnage ;

(3)—That in each case in which the services of a "special" pilot are required for any line of mail steamers, the sanction of Government shall be obtained,

11. The Lieutenant-Governor's attention has been drawn to a statement made by the Agent of the Peninsular and Oriental Steam Navigation Company at Calcutta in his letter to Government, to the effect that "bonuses" are still occasionally taken by pilots from ship-masters, owners, or agents, in addition to the regular pilotage. The Lieutenant-Governor considers such conduct a scandal to the Pilot Service, and directs that any pilot convicted of receiving, directly or indirectly, any bonus or gratuity from the commander, owner, or agent of any vessel, shall be liable to immediate dismissal from the service ; and any commander, owner, or agent found to have given any such bonus or gratuity shall forfeit absolutely the right of ap-

plication for the services of any pilot on any future occasion.

ORDERED that copies of this Resolution be forwarded to the Officiating Port Officer and to the Chamber of Commerce, and other firms consulted, for information, and also that it be published in the *Calcutta Gazette*, for the information and guidance of all concerned.

By order of the Lieutanant-Governor of Bengal,

A. MACKENZIE,

*Secretary to the Government of Bengal.*

No. 76T.

COPY forwarded to the Secretary to the Bengal Chamber of Commerce for information.

By order of the Lieutenant-Governor of Bengal,

A. MACKENZIE,

*Secretary to the Government of Bengal.*

DARJEELING,
*The 8th May* 1879.

## THE HOOGLY BRIDGE.

A RULE to prevent vessels from passing above the bridge for the purpose of discharging cargo having been proposed by the Port Commissioners, the Lieutenant-Governor referred it for the opinion of the Chamber.

The rule was proposed with the view to protect the bridge and vessels from risks of collision, which the Commissioners considered would be

avoided if their 30-ton crane were availed of by ships having occasion to discharge locomotives and other heavy material instead of passing through the bridge-opening to discharge at the railway jetty or elsewhere.

The rule would not, however, apply to vessels going into dock or to the Salt Golah moorings to discharge salt into bond.

It will be seen from their reply to Government that the Committee objected to the rule as unnecessarily depriving vessels of the option of discharging above bridge, and that in their opinion there was no sufficient ground for restricting their movements; that the risk of collision in the case of vessels with heavy machinery was not greater than that of salt-laden ships, which were specially exempted from the operation of the rule; and were probably more numerous than the former, and that if the Commissioners made the use of their powerful crane more attractive to ship-owners and consignees, the inducement to incur the expense and risk of mooring above bridge would in a great measure be removed.

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*From Government of Bengal to Chamber.*

*Calcutta, 14th February* 1879.

I AM directed to forward, with its enclosure, copy of a memo No. 3028 of the 31st December 1878 from the

Vice-Chairman to the Port Commissioners on the subject of the publication of a rule preventing vessels from passing above the Hooghly Bridge for the purpose of discharging cargo.

Before passing orders the Lieutenant-Governor would be glad if the Chamber of Commerce favored him with their opinion on the advisability or otherwise of the measure.

---

*From Vice-Chairman of the Bridge Commissioners, to the Government of Bengal.*

*Calcutta, 28th December* 1878.

I have the honor to report for the information of His Honor the Lieutenant-Governor that the Commissioners have recently had under consideration the advisability of preventing vessels from passing above the Hooghly Bridge for the purpose of discharging cargo.

2. This question came before the Commissioners with special reference to an accident which occurred to the Bridge in September last, when a ship which had passed above the Bridge for the purpose of discharging some locomotives—part of her cargo—came into collision with the Bridge when moving down. The vessel and several others were chartered on the condition that the locomotives should be discharged at the sheer-legs of the East Indian Railway above the Bridge; and with the strong tides of September and October the movements of these vessels through the Hooghly Bridge involved considerable risk both to the Bridge and to the vessels. This risk could

have been obviated by the use of the 30-ton crane which, in order to comply with the terms of the Act, the Commissioners have been obliged to procure for the convenience of vessels bringing consignments of heavy machinery. Ships are allowed by the Jetty Bye-Laws to deliver overside, by their own appliances, cargo intended for delivery at Howrah, and the Commissioners have been advised by their Solicitor that under the Port Rules now in force the master of a vessel can have his ship taken to above Bridge, or to any other place he likes, for the purpose of discharging locomotives intended to be landed at Howrah. The Commissioners are of opinion that this option should not be given to the masters of vessels. Every ship which passes through the Bridge opening adds to the risk of damage, and during certain months of the year it is nearly always a difficult and dangerous operation to get vessels through. When there is no necessity for such movements the Commissioners think this risk ought not to be incurred; and in the interests both of the ships and of the Bridge they have passed the following Port Rule, which I am now to submit for the sanction of His Honor the Lieutenant-Governor under the provisions of Section 7, Act XII of 1875.

PORT RULE.

*Without the special permission of the Commissioners no sea-going vessel of or exceeding* 200 *tons burthen shall proceed above the Howrah Bridge except for the purpose of being docked.*

3. In submitting this rule for sanction the Commissioners desire to place on record that it will not be used

to prevent vessels from going to the Salt Golah moorings to discharge salt into bond.

4. I am to add that the Commissioners have considered, concurrently with this special Port Rule, the question of a general revision of all the Port Rules, and will submit the result of their deliberation to Government.

5. In the Port Rules, as revised, this special rule has been included, but I am to add that, in the event of Government sanctioning the rule, the Commissioners would propose that, to avoid any inconvenience to persons who have made arrangements which such a rule would upset, it should be passed with the understanding that it is not to be enforced until the 1st June 1879.

6. This letter has been addressed to Government in the Public Works Department, the question being one which relates to the Hooghly Bridge; but as the question is also one of Port Rules, a copy will be forwarded to Government in the General Department.

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*From Chamber to Government of Bengal.*

*Calcutta, 5th March* 1879.

The Committee of the Chamber of Commerce desire me to acknowledge the receipt of your letter No. 26 of the 14th ultimo, forwarding copy of letter from the Vice-Chairman of the Port Commissioners, who proposes that a Rule be passed to prevent vessels of or exceeding 200 tons proceeding above the Hooghly Bridge, with the exception of those that may be going into dock or to the golahs to discharge salt in bond.

The Commissioners have recorded the circumstances under which this proposal has been submitted to Government, and expressed the opinion that masters of vessels should no longer have the option of proceeding through the bridge-opening for the purpose of discharging heavy machinery at one of the jetties of the East Indian Railway Company, as considerable risk both to the bridge and vessels is involved in the operation of passing through,—a risk which the Commissioners declare may be obviated by the use of their 30-ton crane.

The Committee of the Chamber desire me to state in reply to your reference that they very much regret the Commissioners have suggested what is in their judgment a most objectionable measure, and that they consider the reasons assigned for the proposed rule as both insufficient and unwarranted by the circumstances of the case.

If there be the risk alleged it is clear that owners of vessels will not willingly incur it: if it be incurred for the sole purpose of landing locomotives or other heavy material, the presumption is that the terms and conditions for the use of the 30-ton crane (or other circumstances connected with its use) are more onerous or disadvantageous than the risk of passing through the bridge. The true remedy for the evil, if there be one, would be to make the use of the crane more attractive to shipowners and consignees, so that there may be no inducement to incur the expense and risk of moving a ship above bridge, and it is in the power of the Commissioners to apply this remedy.

The Committee apprehend that before the construction of the bridge was sanctioned the fact that there would be

constant occasion for vessels to pass above its site must have been well considered, and the probable risk of damage or destruction by colliding vessels duly calculated; and it appears to them that the privilege of passing through the moveable section of the bridge, whenever required, should not be withdrawn simply on the ground of an isolated case of collision or apprehension of recurring accidents.

It is scarcely necessary to inform you that the number of salt-laden vessels entering this port largely exceeds the number of vessels with general cargoes, and if it became desirable for them to pass the bridge to discharge into golahs—under the special exemption which the proposed rule allows—the danger which the Commissioners say they wish to avoid would continue, for it cannot be argued that a vessel loaded with railway iron is more dangerous to the bridge than a similar vessel loaded with salt. The Committee are informed that the number of vessels with railway material which have arrived in Calcutta since July 1878 is only 10, a number so small as to render special legislation unnecessary.

The Committee would see with regret the passing of any rule which would render the use of the Commissioners' crane almost compulsory, especially as the opinion has been freely expressed to them that the main object of the proposed change is to obtain more employment for the crane, whether it would be convenient or economical to shippers to employ it or not.

## DOORGAH POOJAH HOLIDAYS.

SUBJOINED is a copy of a letter the Chamber addressed to the Government of Bengal respecting the annual holidays which occur in connection with the Hindoo festival known as Doorgah Poojah.

There has been a growing feeling that those holidays are of far too long duration, and there can be no question that, owing to the increasing celerity with which business is conducted, they are becoming every year more obstructive to the satisfactory conduct of the work in which the mercantile community is engaged. The Chamber has had no direct reply to its communication, but a Committee, of which the President of the Chamber was a member, was appointed to enquire into the subject and report thereon to Government, with such suggestions and recommendations as it may consider desirable to be made. The Committee of the Chamber have learned that the report has been sent into Government, and that it is to the effect that the legal holidays should be reduced from twelve to four days. The report, however, was dissented from by two of the members, who were opposed to any curtailment of the time allowed at present for the observance of the festival.

*From Chamber to Government of Bengal,*
*Calcutta, 27th November* 1878.

In a representation dated 6th January 1874, the Committee of the Chamber of Commerce submitted for the consideration of Government, that interruption to business and excessive inconvenience to the traffic of the port caused by the Doorga Poojah holidays had been frequently complained of by the commercial community; that remonstrances against so long an interval of enforced inactivity had been repeatedly made to the Chamber; and that the subject had at that date been prominently brought to notice with the view to the grievance complained of being redressed.

In that communication the Committee reviewed the question since its discussion in 1860, pointing out the embarrassing impediments in the way of trade, and praying that arrangements might be sanctioned so as to free as much as possible the trade of Calcutta from obstruction and inconvenience.

The Committee were informed, in reply, that any curtailment of the 14 days general holiday authorised in 1860 had been unanimously opposed by some of the most influential native gentlemen who had been consulted on the subject; but that with the view to meet the wishes of the commercial public, the holidays at the Custom House would be limited to one close week, the work entailed by the opening of the Custom House during the rest of the vacation being met by relays of workers to be remunerated by extra fees.

While the Committee were disappointed in not obtaining the reduction of holidays for which they earnestly

applied, they appreciated the concession as regards the Custom House being kept open for a portion of the time, since it enabled the shipping operations of the port to be conducted with some degree of freedom and relief from the vexatious impediments to which that portion of business had been previously subjected.

The arrangements sanctioned in 1874 have been continued to the present year, but the Committee desire to represent that only a very limited portion of shipping operations has been thereby advantaged, and that no relief whatever has been given to other branches of business.

The Committee do not undervalue the convenience attending the entry and clearence of vessels during the holidays, and the partial importation and exptortation of merchandise on passes obtained in anticipation of the holidays; but these operations are, after all, only a fraction of the general business of the port which is practically prevented from being carried on during that long interval: for while the Bank of Bengal and the other banking establishments are compulsorily closed, a general suspension of business, for a period longer than takes place in any other port in the world, is inevitable, and the inconveniences resulting from such a system are of such grave concern to the commercial community, that their interests urgently call for a material amendment of the recognition which these holidays receive from Government.

It is unnecessary for the Committee to repeat the assurances already expressed, that they have no desire whatever to curtail the period absolutely required for the observance of the Doorga Poojah ceremonial; they have never attempted to reduce the number of days set apart for that purpose;

nor do they seek to do so now : but they submit that the trade and commerce of Bengal are not of the confined description and limited position of 20 years ago, and that the changes that have since taken place in the system of carrying on a trade on a scale of such magnitude as that of the port of Calcutta, render it imperative that public convenience and commercial interests should no longer be interfered with and superseded by a special usage which was introduced at a time when its observance could be tolerated, but is incompatible with the circumstances and requirements of the present day, when the utmost economy of time is an indispensable necessity to persons commercially occupied.

The Committee will not burden this letter with illustrations of the practical injury done to trading interests by the excessive length of the Doorga Poojah vacation; the experience of merchants and banking establishments attests the fact that these holidays are productive of great public inconvenience, and are detrimental to commercial interests by arresting the course of a large and important business and delaying its resumption for several days.

It remains therefore only for the Committee respectfully to represent and request that the Doorga Poojah holidays be reduced and restricted to the 4 days which they understand are absolutely necessary for the observance of that annual festival, with the proviso that should the festival terminate on a Friday the holidays be extended, so as to admit of business being resumed on the followig Monday.

## MASTER AND SERVANT BILL.

THE revised draft of a Bill to define and amend the law relating to this subject having been submitted for the Chamber's opinion on the expediency of proceeding with legislation in that direction and the scope and details of the Bill, the Committee replied that no special legal enactment appeared to be called for, as the relations between masters and servants were well established and recognised; but they had no objections to raise to the general scope and provisions of the Bill if it was the purpose of Government to proceed with the measure. They suggested, however, that as the hiring of artisans and workmen was generally similar to the hiring of domestic servants, the former class of employés should come under the conditions and provisions applicable to the latter.

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*From Government of Bengal to Chamber.*

*Calcutta, 28th February* 1879.

I AM directed to forward the accompanying copy of a letter No. 3-196, dated the 19th February, from the Secretary to the Government of India, in the Home Department, together with copy of a revised draft of a Bill to define and amend the law relating to Master and Servant, and of its annexed Statement of Objects and Reasons, and to request that the Chamber of Commerce

will be so good as to favour the Lieutenant-Governor with an early expression of their opinion on (1) the expediency of proceeding with legislation in the direction of the revised Bill, and (2) the scope and details of the revised Bill as it now stands.

I am to request that a reply may be sent so as to reach this office not later than the 15th April next.

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*From Government of India.—No.* 3-196.

*Fort William, the* 19*th February* 1879.

LAST year the Governor-General in Council invited the opinions of Local Governments and of the High Courts on two projects of law, known as "The Master and Servant] Bill" and "The Easement Bill." These Bills were intended to form part of the Indian Civil Code. The expression of opinions, which have been received, contained many valuable criticisms on the details of these two Bills, and also disclosed wide divergence of opinion as to the present necessity of legislating at all in the direction of either of the Bills.

2. In view of the doubts which have been expressed by local authorities on the subject of these and other Bills, the Governor-General in Council, with the sanction of Her Majesty's Government, has decided to submit for the opinion of—

(a) a Law Commission sitting in India, composed of the Honourable the Legal Member of the Governor-General's Council and two High Court Judges; and

(b) two learned gentlemen in England, namely, Sir Henry Maine and Sir James Stephen, both formerly Legal Members of the Council—

the question whether the programme of codification announced by the Government of India in 1877 ought to be modified. The question whether "The Master and Servant Bill" and "The Easement Bill," among other Bills, with or without modifications, ought to form part of the Indian Civil Code, will come within the scope of the labours of the Commission.

3. The Law Commission will not begin to sit until the 1st May next. And meanwhile revised drafts of the two Bills named in the first paragraph of this letter have been framed in the Legislative Department, after consideration of all the criticisms and opinions which have reached the Government of India. The revised Bills differ in some important respects from the original Bills. Certain of these differences are pointed out in the revised Statements of Objects and Reasons. Provision is made for the Bills being extended only to such parts of the Empire as may require, or be ready for them.

4. It is very desirable that the Commission should have before them the final opinions of the Local Governments and of the High Courts on the revised Bills; for the valuable criticisms and suggestions previously received have, many of them, been accepted; and the Bills have in consequence undergone much change. I am therefore directed to request that the Governor-General in Council may be favoured, at as early a date as possible, with a report from the Government of Bengal.

on—

(1) the expediency of proceeding with legislation in the direction of the revised Bills; and

(2) the scope and details of the revised Bills as they now stand.

5. The Governor-General in Council would wish to be favoured with the opinions of such judicial and other officers, European and Native, as the Government of Bengal may think it expedient to consult. But in no case should replies reach the Government of India later than the 1st of May. I am to add that, although the Bills now under discussion formed part of the codification programme announced in the spring of 1877, yet the Governor-General in Council does not consider himself pledged to lay these Bills before the Legislature at the present time, if it should appear that there is a preponderance of administrative and professional opinion against the adoption of such a course.

## STATEMENT OF OBJECTS AND REASONS.

THE object of this Bill is to state, clearly and concisely, the law regarding the relation of Master and Servant. Apart from the settled policy of codifying the law of British India, the reasons for framing the Bill are two; first, because it is believed that the disputes which often arise between masters and servants of all descriptions are largely owing to ignorance on their part of their respective rights and duties; and, secondly, because since the Mutiny, the increase in the number of Europeans in India has greatly enhanced the demand for domestic

servants, and the consequence has been that members of the lowest classes have often supplied places formerly filled by Kahárs and even Bráhmans. So long as such employments were confined to the close guild of a respectable caste, masters had certain safeguards for the good behaviour of their servants; but with the expansion of service and the loss of caste-authority those safeguards have, to a large extent, disappeared.

The Bill accordingly, after stating the rules applicable to all kinds of servants within its scope, confers on selected magistrates jurisdiction to deal with certain breaches of duty by domestic servants and their masters. Analogous jurisdictions already exist in British India. Thus under Acts XIII of 1859, IX of 1860, and Bengal Act VII of 1873, sections 121 to 127, magistrates can interfere between masters and mechanical or agricultural servants, between masters and servants employed on public works, and between masters and native labourers in Assam, Cachar and Sylhet, and like power is about to be conferred in the case of cooly emigrants to the Colonies. But in the case of domestic servants there is no such jurisdiction: the master's only remedy is a civil suit for damages; and in almost every case such a suit would be fruitless. The servant's only remedy is a similar suit, and the expense necessary to defray the court-fee and obtain legal assistance practically renders this remedy illusory. Sections 22 and 23 accordingly declare, that if a domestic servant refuses without a sufficient excuse to enter into his master's service, wilfully absents himself without leave, or breaks his obligations to be obedient, diligent, sober and respectful, he may be taken before a presidency magistrate or a magistrate of the first or second class

specially empowered, who may send him to jail for a term not exceeding a month, or fine him up to fifty rupees, or (where the servant is a boy under sixteen years of age) sentence him to whipping, and may also discharge both parties from their contract. On the other hand, section 24 empowers a servant who has been wrongfully discharged, or whose wages have been wrongfully retained for fifteen days after they become due, to complain to a superior magistrate and recover not only the wages due but compensation (not exceeding Rs. 100) for the discharge or retainer. This section is substantially in accordance with a suggestion of the Panjáb Government and with sections 3 and 4 of a measure introduced by the Hon'ble Mr. Coleman, on 16th January 1878, into the Legislative Council of Madras. Where the complaint is frivolous or vexatious Act X of 1872, section 209, will apply in the mufassal, and Act IV of 1877, section 242, in the presidency-towns.

The Bill also proposes to make the following minor additions to the present law :

The servant, as well as the master, is empowered (section 6) to terminate the contract by payment or tender of wages.

A servant is required (section 11, clause *c*) to be respectful, not only to his master's family, but also to his master's guests, lodgers, visitors and customers. He is bound to make good any loss which he causes to his master by want of ordinary care or reasonable skill. And he is bound to deliver to his master property of the latter found by the servant or reaching his hands in any other way.

A domestic servant is bound, if so required (section 11, clause *l*), to accompany his master to any place not more than a hundred miles from the place at which he entered the service. When temporarily disabled by illness from performing his duties, he must provide at his own expense a sufficient substitute, or, if the master employs and pays a substitute, allow such payment to be deducted from his wages. And if his master dies leaving a widow or minor children, he is bound, on request of the widow or the guardian of the children, to continue the service for a period not exceeding one month.

The master is empowered (section 13, clause *g)* to discharge a servant, without notice or payment of wages, on his being adjudicated an insolvent. This may be useful where the servant is the manager of a bank or otherwise employed in a position of trust.

A master is entitled (section 16) to refuse to receive into his service a servant who has been guilty of such misconduct that if the master had known it at the time of hiring he would not have employed the servant.

Masters are required (section 17) to provide their European domestic servants not only with food, but, in case of illness or accident, medical attendance. So far as regards medical attendance, this is not now the law in England: but the reason given (the existence of a poor-law under which the servant can obtain assistance from the parish officers) is obviously inapplicable to India.

When a servant is wrongfully discharged at a place other than the place at which he entered into the service, he is entitled (section 19) not only to compensation, but to

the reasonable expenses of his journey back to the latter place.

Where a bond is entered into by an artisan for the performance of a magistrate's order, provision is made (section 26) for the recovery of the penalty in case of non-performance.

Besides the additions above described, the Bill will make the following alterations in the substance of the law:

The anomalous action for loss of services caused by the seduction of a female servant is abolished. Though provided for by the Limitation Act, it seems wholly unsuited to India.

When a servant is wrongfully discharged, or when his contract is rightfully terminated by him, or when it is terminated by the death of either party, the wages are made, by section 21, payable for the period of actual service and will, in the absence of express agreement to the contrary, accrue from day to day. This provision will prevent the hardship which often arises, under the law as it stands, to a servant who, without fault of his own, has not completed his term of service and who therefore gets nothing for the time he has served.

Enquiries by magistrates into disputes between employers and railway workmen will be conducted (section 27) as if they were summons-cases under the Code of Criminal Procedure. The existing law (Act IX of 1860) requires them to be conducted under the Code of Civil Procedure, with the provisions of which magistrates are not always sufficiently familiar.

The Bill omits all provisions as to the liability of masters to third persons for the wrongful acts of their servants and as to the liability of servants acting on behalf of their masters to third persons for injuries caused by misfeasance or neglect. These matters will, it is thought, be more fitly dealt with when the law of torts comes to be codified.

The Bill does not apply to servants of Government, as such, or to the native clerks and domestic and agricultural servants of Hindus, Jains, Sikhs, Muhammadans and Buddhists. Those who are most familiar with native society are almost unanimously of opinion that the peculiar relation between such servants and their so-called masters is not such as can be usefully regulated by the Legislature.

Seamen are also untouched by the Bill. The law as to their hiring, discharge, wages, duties and punishments is peculiar, and is, to some extent, contained in enactments which the Indian Legislature cannot affect.

The Bill extends in the first instance only to the Panjáb, Assam, and British Burma, where the Local Governments have expressed approval of most of its provisions. The other Local Governments are empowered to extend the proposed law to any local area under their respective administrations.

WHITLEY STOKES.

CALCUTTA :
*The 21st January* 1879.

*From Chamber to Government of Bengal.*

*Calcutta, 27th March* 1879.

THE Committee of the Chamber of Commerce direct me to acknowledge the receipt of your letter No. 952 of the 28th of last month, with copy of a revised draft of a Bill to define and amend the law relating to master and servant.

When the proposed measure was submitted to the Chamber about this time last year, the Committee expressed the opinion, conveyed in my letter dated 15th May 1878, that, as the relations existing between masters and servants were well established and recognised, no special legal enactment appeared to be called for; and the Committee are still of opinion that those relations do not require to be regulated by the Legislature.

Nevertheless, if it is the purpose of Government to proceed with the measure under acknowledgment, the Committee have no objections to raise to the general scope and provisions of the Bill; and the only amendment they have to suggest is with reference to Section VI. They think that after the words "domestic servants" in sub-section *b*, the words "artisans and workmen" should follow; sub-section *d* being omitted: for they understand that, as a rule, in tradesmens' and other establishments in Calcutta, and in mills in the neighbourhood, the hiring of artisans and workmen is similar to the hiring of domestic servants, namely from month to month, with 15 day's notice on the part of either employer or employé to terminate the service, or 15 days' wages in lieu of such notice being deducted or paid.

## PRACTICE AS TO TRANSHIPMENT OF DUTY-PAID GOODS.

In writing to the Government of Bengal on 7th November 1878, the Committee asked for some relaxation of the rule in regard to transhipment of duty-paid goods when they were, from unavoidable causes, shut out from the vessel for which they were originally passed. The Committee were informed that fresh duty had to be paid on the shut-out portion which had to be re-passed; that refund of duty first paid had to be specially applied for, and that inconvenient delays occurred in recovering it; and they suggested that some form of transhipment pass, with the view to avoid those objections to the present practice, might be adopted.

It will be seen from the reply given to the Chamber's application that the Government have accepted the Collector's statement that the system appears to work without inconvenience, and his recommendation that the present practice should not be relaxed.

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*From the Government of Bengal to Chamber.*

*Calcutta, the 31st March* 1879.

With reference to the 3rd and 4th paragraphs of your letter of the 7th November 1878, in which the Chamber

ask for some relaxation of the rule in regard to transhipment of duty-paid goods, when they are from unavoidable causes shut out from the vessel in which they were originally intended to be shipped, I am directed to forward herewith copy of a latter from the Collector of Customs, Calcutta, reporting on the practice of the Custom House in this matter, and to say that the Lieutenant-Governor is satisfied that the Collector has given to exporters every reasonable facility that is possible under the Customs Act.

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*From* J. D. MACLEAN, ESQ., *Collector of Customs. To the Secretary to the Board of Revenue, Lower Provinces—No.* 103, *dated Calcutta, the* 21*st February* 1879.

WITH reference to your letter No. 37B., dated the 21st ultimo, I have the honor to state that the rule, or rather the practice, of this office, to which the Chamber refer in paragraphs 3 and 4 of their letter to Government, is as follows :—

When the whole or a portion of the dutiable goods for which a pass has been issued have been either shut out by the vessel, or short-shipped by the exporter, the owner is required to give a notice of such short-shipment or re-land, under section 140 of the Act, after which a refund of the export duty is payable.

Should he desire to re-export the same goods to another vessel, he is required to take out a fresh pass on payment of duty afresh ; but if the documents are available for at once adjusting the refund, the exporter may use the passed bill for the amount refundable in lieu of fresh cash payment.

2. The Chamber would seem to wish that some form of transhipment should be adopted to obviate the necessity of applying for refund of the duty paid in the first instance, as allowed some years ago.

3. This system was not found to work satisfactorily, and did not appear to give exporters any very great facility, because, if a proper check is to be exercised, the same papers which it is necessary to examine to pass payment of refunds, should be examined and checked prior to passing of transhipments, and these papers are not always available at the time.

4. Again, great inconvenience was often caused from the fact that the duplicates or passes were frequently transferred from one vessel to another in consequence of the numerous applications to re-export the same goods again and again, and were often retained by shippers for months, instead of being returned for record, thereby preventing the possibility of check or examination.

5. Apart from this, the duplicate passes were very often so written on, and otherwise worn out, as to render some of the endorsements almost unintelligible. I attach, for inspection, a few of the passes on which transhipments were allowed, from which the Board will be able to judge how the concession was abused.

6. In consequence of the undue advantage taken of this privilege by some exporters, Mr. Crawford was of opinion that the practice of granting transhipments and re-exports should be discontinued; but as he was at the time on the eve of his retirement from the office, he preferred that the question should remain over for settlement by Mr. Lane, who, it appears, concurred in the opinion of his

predecessor, and directed the discontinuance of the practice, which was accordingly acted up to from the 1st April 1877.

7. Under the old system passes were often taken out for shipment by vessels already fully laden, or by which (from other causes) the exporters could never have had any intention of shipping. This was, I have no doubt, sometimes done to avoid delay by getting the duty paid and the pass prepared for goods really intended for shipment by a vessel not entered outwards, or perhaps not even arrived in port.

8. With the view of giving shippers every facility, without obliging them first to make false representations as to the name of the vessel by which they intend to export, and then correcting their documents by applying for re-export, I now allow duty to be paid and passes to be filed in anticipation of the outward entry of vessels.

9. In cases of urgency, where the goods have been unavoidably shut out, I also allow exporters to amend their entries under section 201 of Act VIII and grant fresh passes; the name of the vessel being altered; and I am of opinion that this is the only legal way to treat the matter, there being no provision either in Act VI of 1863, or in VIII of 1878 now in force, allowing re-exports or transhipments of export goods from one vessel to another, except as provided in section 141 of Act VIII of 1878, which has no reference to shut out goods.

10. The new system appears to work well, and without any great inconvenience to the public, considerably reducing the number of intentional short shipments and needless re-exports, besides enabling this office to check

the actual exports from the Preventive Officers' endorsements; and I consider the change introduced by Mr. Lane was absolutely necessary for the purposes of check and the correct working of the Export Department. Under these circumstances I would not recommend any relaxtion of the present practice.

## TONNAGE SCHEDULES.

In February a communication was received from the Bombay Chamber of Commerce, inviting our co-operation in a movement for the introduction at all Indian Ports of an uniform Tonnage scale, calculated on the basis of 40 cubic feet for steamers and 50 feet for sailing ships.

Your Committee, whilst admitting the unscientific character of our own schedule and recognising the advantages which might result from an assimilation of the various Indian systems, yet felt it inopportune to re-open a question so recently settled here.

*From Bombay Chamber to Bengal Chamber.*

*Dated 11th February* 1879.

The Tonnage Scale adopted by this Chamber is, as you are doubtless aware, on the basis of 40 cubic feet and 16 cwt. dead weight to the ton for steamers, and 50 cubic feet and 20 cwt. for ships. At your port, the Committee

understand, the scale is on the basis of 50 cubic feet and 20 cwt. dead weight.

A good deal of discussion has recently taken place in this Chamber on the subject of the Bombay Tonnage Scale, but the points in dispute did not, except in the article oil casks, touch the principles or rules on which the scale is regulated, but merely the accuracy of the weight assigned, on the accepted basis of 40 feet measurement, to certain articles, such as wheat and oil-seeds In our steamer scale, oil casks are taken on the outside measurement of the cask without any allowance for the bilge: in the scale for ships' however, 210 imperial gallons are allowed, and it is contended by shippers that one-fifth off, or 168 imperial gallons, should be the scale for steamers. I enclose for your information the report of a special committee recently appointed by this Chamber to examine and report on the steamer tonnage scale with reference to wheat, oil seeds, and oil, as well as to add such articles of export as are not included in the list.

While, however, these differences exist at this port between shipper and shipping interests, all are apparently agreed on the desirability of a uniform scale being adopted for all India. The Committee, therefore, desire me to ask you if your Chamber would be willing to co-operate in a movement for the introduction of a uniform tonnage scale for India on a basis of 40 cubic feet to the ton for steamers and 50 feet for ships; or if this does not meet with your approval, if you would kindly inform them what your Chamber would consider should be taken as the standard ton for measurement goods for steamers and ships respectively

I am also desired in conclusion to say that my Committee would be glad to receive any suggestions which your Committee may be disposed to favor them with on the subject generally.

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*From Bengal Chamber to Bombay Chamber.*

*Calcutta, 3rd March* 1879.

I AM directed by the Committee of the Chamber of Commerce to acknowledge the receipt of your letter of the 11th ultimo, giving cover to the report of a special Committee on the steamer tonnage scale of your port with reference to wheat, seeds, &c.

The Committee have read this report with much interest, and they instruct me to furnish you with a copy of the tonnage scales now in force in this port, one for vessels loading to America and the other for all other ports.

It will be seen from this latter document that the scale, which is the one recognised by the Chamber, is based upon no particular system.

The measurement ton is as a rule 50 cubic feet.

Jute and Cotton are specially shipped by a ton of 5 bales guaranteed not to exceed 52 cubic feet when measured upon the shipping wharf.

The weight ton for articles most largely shipped is 20 cwt, but to this also there are some exceptions.

For liquids in cask the ton is per 2 puncheons or 4 hogsheads.

The same scale applies to both ships and steamers.

This scale was the result of a compromise effected after considerable discussion, as meeting most fairly the different interests of ships and shippers, and the Committee though agreeing with the Bombay Chamber in considering a uniform tonnage scale for all India desirable, are not prepared at the present time to reopen a questien which has so recently been settled here.

Any special information which your Committee may require, I shall be pleased to give if it be in my power to do so.

## EASTERN COAST LIGHT DUES

The Committee having been requested to express an opinion on the provisions of a Bill to amend the law relating to Coast Lights in the eastern part of the Bay of Bengal, whereby it is proposed to raise the present dues from one anna to one anna and a half per ton, it was submitted in reply that before an addition of 50 per cent to the tax is levied the necessity for its imposition should be established; that, as the calculation of dues when the tonnage was much smaller than it is at present was considered sufficient for the purposes of the Act, the Committee could not understand how those estimates failed to cover the expenditure at a time when the revenue has largely increased by the increase of tonnage contributing the tax; and that the Chamber should be in possession of fuller explana-

tion than the bald statement of the revenue being insufficient to cover the expenditure.

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*From Government of Bengal to Chamber.*

*Calcutta, 4th February* 1879.

I AM directed to forward herewith a copy of the Bill and Statement noted on the margin, and to request that you will be good enough to favor His Honor the Lieutenant-Governor with an expression of the Chamber's opinion on the provisions of the Bill.

Bill to amend the law relating to Coast Lights in the eastern part of the Bay of Bengal.
Statement of objects and reasons of the Bill.

2. Your reply should be sent by the middle of February.

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*From Chamber to Government of Bengal.*

*Calcutta, 5th March* 1879.

THE Committee of the Chamber of Commerce direct me to acknowledge the receipt, on the 12th of last month, of your letter No. 157 of the 4th idem, with copy of a Bill to amend the law relating to coast lights in the eastern part of the Bay of Bengal.

In the statement of objects and reasons attached to the Bill it is declared that the present coast light dues of one anna per ton are insufficient to pay a fair rate of interest on the capital expended on the lights which at present exist on the coast of British Burmah, and to provide for their maintenance; that the recent total destruction of the Krishna Shoal light-house will immediately entail a large

expenditure; and that it has therefore been determined to raise the present dues from one anna to one anna and-a-half per ton, the enhanced rate being applicable to vessels making certain voyages not mentioned in Act 13 of 1867.

In reply to your invitation for an expression of the Chamber's opinion on the provisions of the Bill, the Committee desire me to observe that as the calculations of dues sufficient for the purposes covered by the Act of 1867 were made at and for a period when the tonnage, in respect of which the dues were payable, was much smaller than at the present time, it is difficult to understand how those estimates could have been framed so inaccurately as to render it necessary at this moment of largely increased revenue to call for an addition of 50 per cent., and how, while the revenue during the intervening years has been progressive, the expenditure has been progressive also.

The Committee submit for the consideration of His Honor the Lieutenant-Governor that, before the additional tax is imposed, the Chamber should be in possession of fuller explanation than the bald statement that the revenue is found not to be sufficient to meet expenditure, and that Government should be prepared to furnish the requisite accounts with the view to justify the heavy addition which it is proposed to make to the existing tax on tonnage.

With regard to the new Krishna Light, unless it is in contemplation to defray the cost at once from revenue, the necessity for raising the coast light dues does not appear; but the Committee submit that such cost should

be provided for by instalments out of annual revenue over a series of years, rather than from immediate revenue raised by increased dues.

The Committee are of opinion that the *explanations* following section 9 of the Bill should be withdrawn, as they strongly object to an agent of a vessel being held responsible for any laches of the owner or master. Besides, section 10 authorises the Collector to distrain and sell a vessel on the refusal or neglect of the master to pay any just demand; and as the vessel is presumably good for the amount of such demand the agent should not be held liable for the prescribed penalties.

The Committee notice the use of the word *control* in the 3rd section, which they think should be omitted, as indefinite in its meaning. It might be difficult to determine who practically had control over a vessel, and if it were taken to mean that the modified control which an agent has over a vessel consigned to him rendered him liable under the act, the agent would be burdened with responsibilities which he could not undertake, and which it would not be just to impose upon him. The provision of the act allowing Government the power to distrain a vessel gives them ample security for the payment of their due.

## LANDING AND TRANSHIPMENT FEES.

*From the Government of Bengal to Chamber.*

*Calcutta, the 21st November 1878.*

I AM directed to forward herewith a copy of the draft Rules (framed by the Board of Revenue) which it is

proposed to issue under sections 9, 130, 133, and 155 of the Sea Customs Act VIII of 1878, and to request that the Lieutenant-Governor may be favored with an expression of the opinion of the Chamber of Commerce as to whether the Rules are suited to the requirements of the port, and whether in any case they would be likely to cause inconvenience to persons interested in a particular trade.

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*From*—W. H. GRIMLEY, ESQ., *Secretary to the Board of Revenue, L. P., to the Secretary to the Government of Bengal, Revenue Department.—No.* 904½ *B., dated Fort William, the* 2*nd November* 1878,

I AM directed by the Board of Revenue to submit for the approval of Government the accompanying draft rules which it is proposed to issue under sections 9, 130, 133, and 155 of the Customs Act VIII of 1878.

2. I am also directed to forward a copy of the rules which have already been framed and issued by the Board, under sections 75 and 144.

3. The Board have not yet completed the preparation of rules under section 157 to regulate the coasting trade. They are awaiting the report of the Collector of Customs, Calcutta, of the result of his mission to Bombay.

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*Rules issued by the Board of Revenue under sections* 75 *and* 144 *of the Sea Customs Act VIII of* 1878.

PASSENGERS' BAGGAGE.

1. Baggage is not exempt from duty simply because it is baggage.

2. Baggage is exempt from duty only when it consists of articles free of duty, or of *bonâ fide* personal wearing-apparel and other articles

of personal use, the property of the person whose baggage is being passed, or of any members of his family, such as are in actual use at time of importation, or have been actually in use previously. It is within the discretion of the proper officer of Customs to determine, subject to the above rules, whether any goods shall be treated as baggage and exempt from duty, or as goods liable to duty.

3. The following goods are subject to duty, according to the schedule in force for the time being :—

Apparel, including millinery and haberdashery.
Arms, ammunition, and military stores.
Beads and false pearls.
Chinese and Japanese wares.
Clocks, watches, and other time-keepers.
Drugs and medicines.
Earthenware, crockery, china, and porcelain.
Glass and glassware.
Gums.
Groceries not otherwise described
Hosiery.
Ivory and ivoryware.
Jewellery, including plate.
Lacquered-ware.
Liquors, malt, wine, and spirits.
Musical instruments.
Metal goods, as hardware, ironmongery, cutlery.
Perfumery.
Piece-goods.
Provisions and oilman's stores.
Silk.
Spices.
Stationery.
Sugar and sugarcandy.
Tea.
Tobacco.
Toys and requisites for games.

4. In Calcutta, baggage officers will examine on board only such free baggage not contained in soldered or nailed-down cases as the passenger offers for examination.

5. All other baggage will be sent to the baggage-shed at the jetties, in the case of vessels lying at the jetties, or to the baggage-shed at the Custom House.

6. No formal entry of baggage is required under section 86 of the Act. Owners will have either personally, or by agent, to identify their own property. The Customs Officer will examine the goods and note in a form of entry the value of articles liable to duty, the rate of duty and amount thereof, together with a landing charge of 8 annas per package, and on receipt of the money will grant a pass.

7. It is optional with the proper officer of Customs to allow the cases of persons about to proceed immediately up-country to be passed without being opened. This discretion will never be exercised except on the personal application of the owner of the baggage, or his or her representative. A detailed statement of contents and value signed by the owner must always accompany the application. A preventive officer should report at once to the Superintendent of the Preventive Service, whenever he detains any dutiable articles, in order that an officer may be deputed to convey them to the Custom House.

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*From Chamber to Government of Bengal,*

*Calcutta, 12th December* 1878.

THE Committee of the Chamber of Commerce direct me to acknowledge the receipt of your letter No. 2868 of the 21st ultimo relative to the draft rules framed by the Board of Revenue which it is proposed to issue under certain sections of the Customs Act of 1878.

The only points which appear to call for remark are as follows:—

With regard to Rule 6 the Committee understand that baggage is landed either by passengers themselves or their representatives or by agents for steamers, and they do not therefore see any reason why Government should claim a landing charge of 8 annas per package, or levy any fee whatever for services performed by other agency and paid for by owners or their representatives.

With regard to fees on transhipment of goods, the Committee are of opinion that a uniform charge of 4 annas per package should be substituted for the rates proposed.

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## *From Government of Bengal to Chamber.*

*Calcutta, the 29th March* 1879.

WITH reference to your letter of the 12th December 1878, I am directed to state, for the information of the Chamber, that the landing fee of eight annas per package, fixed in Rule 6 of the rules under section 75 of the Sea Customs Act VII of 1878, issued by the Board of Revenue, is not, as supposed by the Chamber, imposed on packages which are passed direct from the ship and removed by the passengers themselves, but only on such packages as may not be passed by the officers on board and have to come to the Custom House for assessment in charge of officers or peons. The fee is levied in order to meet any expenses that may be incurred in landing and bringing packages to the proper place for examination by Customs' officers.

2. I am further to state, that it is proposed to introduce, experimentally, the scale of transhipment fees marginally noted, which has been approved by the Government of India, from the 1st April 1879.

*For each transhipment between the hours of* 8 A. M. *and* 5 P. M.

| | Rs. | A. | |
|---|---|---|---|
| On any number of packages not exceeding four ... | 1 | 4 | per package. |
| On five packages ... | 6 | 0 | " |
| " subsequent packages not exceeding 25 in number | 0 | 6 | Ditto. |
| On any further number of packages ... ... | 0 | 4 | Ditto. |

When transhipments are not completed before 5 P. M., an additional fee of Rs. 4 will be charged.

*Transhipment fees payable at Chittagong.*

| | Rs. | A. | |
|---|---|---|---|
| For single packages .. .. | 0 | 8 | per package. |
| For *goods in bulk* | 6 | 4 | " 100 mds. |

*From Chamber to Government of Bengal,*
*Calcutta, 19th April.*

THE Committee of the Chamber of Commerce desire me to acknowledge the receipt of your letter No. 791 of the 29th ultimo, relative to fees for landing and bringing packages for examination by Customs' officers.

The Committee are glad to be informed that the rates do not apply to packages passed direct from ships and removed by passengers themselves.

They direct me to say that they have no objection to raise to the scale of charges, except as regard the 3rd item of 6 annas per package "on subsequent packages not exceeding 25 in number," which they recommend should be omitted.

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## DESPATCH OF MAILS UNDER THE P. & O. CO'S. NEW CONTRACT.

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*From Chamber to Director-General of the Post Offices in India,*
*Calcutta, 19th April 1879.*

THE Committee of the Chamber of Commerce have noticed in the Bombay Gazette of the 3rd instant two clauses taken from the contract between Her Majesty's Government and the Peninsular and Oriental Steam Company for the conveyance of the mails between Bombay and Brindisi, and from Brindisi to Bombay: and they gather from the number of hours allowed for the latter service that the mails are to be conveyed in 48 hours less than the present contract time.

If under the amended arrangements coming into operation next year the mails are to reach London on Mondays —and the Committee understand it is so contemplated— they will have to leave Bombay 48 hours later than they do now, and consequently the Calcutta mails, which close on Fridays, will require to be despatched 48 hours later, thereby involving the despatch on Sundays.

The Committee are not prepared to learn that such an arrangement can receive the sanction of Government, and they will be much obliged by your informing them on what day of the week and at what hour it is proposed to despatch from Bombay, and what corresponding changes will follow in dates of despatch from Calcutta.

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*From Director-General of the Post Office of India,*

*Simla, the 23rd April 1879.*

In reply to your letter dated the 19th April 1879, I have the honor to state that I have not yet seen any detailed proposals on the part of the British Post Office respecting the arrangement of the postal service between India and Great Britain under the new contract.

I think it unlikely, however, that the British Post Office would think of proposing arrangements under which the mails from the Metropolis of India would be closed on a Sunday.

## REDUCTION OF WORK AT THE POST OFFICE ON SUNDAYS.

*From Chamber to Post Master General of Bengal.*

*Calcutta, 27th March* 1879.

THE Committee of the Chamber of Commerce desire me to acknowledge the receipt of your memorandum of the 21st instant. They are glad to hear of your determination to lessen the work of the Post office on Sundays, and are of opinion that, subject to the restrictions as to mails in transit and the receipt and despatch of the overland mail, the convenience of the general public will not be unduly interfered with by your proposed arrangements: and the Committee consider that one delivery at noon and one despatch at the present hour of closing the mails in the evening would be amply sufficient for the requirements of the community.

### MEMORANDUM.

IT has been determined to lessen, so far as can conveniently be done, the Sunday work of the Post Office, the object being to provide some little relaxation from official duties on one day in the week for all those employed in this Department.

2. It has been laid down that on no account is there to be any delay of mails in transit, or any alteration in the arrangement for the receipt and despatch of the overland mail.

3. Subject to these restrictions, there will be only one despatch from Calcutta on Sundays, and instead of two

deliveries, there will be but one at 12, *i. e.*, after receipt of the Loop Line mail and that from Eastern Bengal.

4. After due inquiry held, it is found that the hour which would be most convenient for the public for the one Sunday despatch will be in the evening. Our own object is, having due regard to public interests, to do away with the necessity for that large part of our Calcutta establishment which deals with letters for despatch coming twice to office on Sundays. Mails therefore for the Loop Line will close at 4-30 P.M., and for all other directions, except Northern Bengal and Assam, at 6 P.M.

5. There will be no collection of letters for despatch by the mail for Assam and for Northern Bengal on Sunday, but the Sunday mail for that line will consist solely of the letters posted the night before up to 8 P.M. Letter posted for Northern Bengal on Sunday will thus be detained till mid-day on Monday; but this allows of the more important mails for the other presidencies, Eastern Bengal, &c., being made up at the most convenient time, *i. e.*, the evening.

6. The registration of letters and receiving of parcels on Sunday will be discontinued, and the office for enquiries will only be open for an hour, *viz.*, from 4 to 5 P.M.

7. The Director-General of the Post Office has desired that the proposed relaxation should be cautiously introduced, and in a way calculated to avoid all reasonable complaint. It will come into effect from 1st June 1879.

T. W. GRIBBLE,
*Offg. Post Master General, Bengal.*

CALCUTTA:
POST MASTER GENERAL'S OFFICE.
*The 29th April* 1879.

## THE COMMITTEE.

Under the provisions of Rule VIII. the Committee have appointed as their colleagues Mr. W. Bleeck, Mr. G. H. Morrison, Mr. T. F. Hamilton, and Mr. R. Ewing in the room of Messrs G. Froeschmann, H. B. H. Turner, F. F. Adam and F. Finlayson proceeded to Europe, and the confirmation of the Committee's election of those gentlemen is now requested.

## FUNDS OF THE CHAMBER.

The balance at credit of the Chamber on the 30th April 1879 amounted to Rs. 2,628-8-5, exclusive of Rs. 15,000 in 4 per cent. Government Securities.

GEORGE YULE,
*President.*

# APPENDIX.

# FUNDS OF THE CHAMBER.

*Statement of the Funds of the Bengal Chamber of Commerce, from 1st November 1878 to 30th April 1879.*

| | Rs. | A. | P. | | Rs. | A. | P. | Rs. | A. | P. |
|---|---|---|---|---|---|---|---|---|---|---|
| To Office Rent ... ... ... | 900 | 0 | 0 | By Balance ... ... | | ... | | 1,944 | 8 | 11 |
| „ Establishment ... ... | 5,361 | 0 | 0 | „ Government Securities | | ... | | 15,000 | 0 | 0 |
| „ Charges, General ... ... | 4,030 | 5 | 3 | | | | | 16,944 | 8 | 11 |
| | 10,291 | 5 | 3 | | | | | | | |
| | | | | „ Subscriptions ... | 7,656 | 0 | 0 | | | |
| To Balance— | | | | „ Price current and other publications ... | 3,019 | 4 | 9 | | | |
| Cash in Bank of Bengal | 406 | 0 | 2 | „ Interest ... ... | 300 | 0 | 0 | | | |
| „ in hand ... | 2,222 | 8 | 3 | | | | | 10,975 | 4 | 9 |
| Reserve in Government Paper | 15,000 | 0 | 0 | | | | | | | |
| | 17,628 | 8 | 5 | | | | | | | |
| Rupees | 27,919 | 13 | 8 | Rupees | | | | 27,919 | 13 | 8 |

CALCUTTA,
30th April 1879.

E. E.

H. W. I. WOOD,
*Secretary.*

**TONNAGE SCHEDULE** for the PORT OF CALCUTTA, adopted at a Special General Meeting of the Bengal Chamber of Commerce, held on the 12th February 1872, with effect from 1st September 1872, except as regards the measurement of Cotton, Hemp, Jute, Jute Cuttings, Rhea, Safflower, and other articles similarly packed, which, under the Chamber's Resolution of 14th June 1872, had effect from 1st July 1873.

| ARTICLES. | Cwt. per Ton Nett. | Cubic feet per Ton. |
|---|---|---|
| Aloes, in bags and boxes | 20 | ..... |
| Alum, in ditto | 20 | ..... |
| Aniseed, in bags | 8 | ..... |
| Arrowroot, in cases | ..... | 50 |
| Arsenic, in bags or cases | 20 | ..... |
| Asafœtida, in bags and boxes | 20 | ..... |
| Apparel, in boxes | ..... | 50 |
| Bark, in bags | 8 | ..... |
| Bees' Wax | 20 gross | |
| Barilla | 20 | ..... |
| Betel-nut | 20 | ..... |
| Books | ..... | 50 |
| Borax | 20 | ..... |
| Bran | 14 | ..... |
| Brimstone | 20 | ..... |
| Bullion | at per cent. | |
| Cake-lac, in bags | 16 | ..... |
| Camphor, in cases | ..... | 50 |
| Cardamoms, in robins | 8 | ..... |
| „ boxes | ..... | 50 |
| Cassia, in boxes | ..... | 50 |
| „ bags | 12 | ..... |
| Castor Seed | 15 | ..... |
| Chillies, (dry) in bags | 8 | ..... |
| China Root, in bags | 11 | ..... |
| „ boxes | ..... | 50 |
| Chiretta | ..... | 50 |
| Churrah | 14 | ..... |
| Cigars | ..... | 50 |
| Cloves, in bags | 8 | ..... |
| „ boxes | ..... | 50 |
| Coals | 20 | ..... |
| Cochineal | ..... | 50 |
| Coffee, in bags | 18 | ..... |
| „ casks | 16 | ..... |

| ARTICLES. | Cwt. per Ton Nett. | Cubic feet per Ton. |
|---|---|---|
| Coral, rough | 20 | ..... |
| Coir, loose and unscrewed | 12 | ..... |
| Copras, or Cocoanut Kernel | 14 | ..... |
| Coriander Seed | 12 | ..... |
| Cotton | ..... | 50 |
| Cowries | 20 | ..... |
| Cummin Seed | 8 | ..... |
| " Black | 8 | ..... |
| Cutch, in bags | 18 | ..... |
| Dates, wet | 20 | ..... |
| " dry | 16 | ..... |
| Dholl | 20 | ..... |
| Elephants' Teeth in bulk | 20 | ..... |
| Furniture | ..... | 50 |
| Garlic and Onions | 12 | ..... |
| Ginger | 16 | ..... |
| Gram | 20 | ..... |
| Gums, in cases | ..... | 50 |
| Gunny Bags and Gunny Cloth | ..... | 50 |
| Gunjah | ..... | 50 |
| Hemp | ..... | 50 |
| Hides, Buffalo, or Cow, cured | 14 | ..... |
| Hoofs, Horn Shavings and Tips | 20 | ..... |
| Horns, Cow, Buffalo, or Deer | 20 | ..... |
| India Rubber, in bags | 16 | ..... |
| " cases | ..... | 50 |
| Indigo | ..... | 50 |
| Iron | 20 | ..... |
| Jute | ..... | 50 |
| Jute Cuttings | ..... | 50 |
| Lac Dye | ..... | 50 |
| Lard | 20 gross. | |
| Linseed | 20 | ..... |
| Mace | ..... | 50 |
| Machinery | 20 | ..... |
| Metals | 20 | ..... |
| Mathie Seed | 18 | ..... |
| Mirabolams | 16 | ..... |
| Molasses | 2 puncheons or 4 hhds. | |
| Mother o'Pearl, in bags | 20 | ..... |
| " chests | 20 | ..... |
| Munjeet | ..... | 50 |
| Mustard or Rape Seed | 20 | ..... |
| Niger Seed | 20 | ..... |
| Nutmegs, in cases or casks | ..... | 50 |

| ARTICLES. | Cwt. per Ton Nett. | Cubic feet per Ton. |
|---|---|---|
| Nux Vomica | 16 | ..... |
| Oats | 16 | ..... |
| Oil, in cases | ..... | 50 |
| „ casks | 4 hhds. | |
| Opium | per chest. | |
| Paddy | 16 | ..... |
| Palmatine, in bags | 16 | ..... |
| Peas | 20 | ..... |
| Pepper, Long | 12 | ..... |
| „ Black | 14 | ..... |
| Planks and Deals | ..... | 50 |
| Poppy Seed | 20 | ..... |
| Putchuck | 10 | ..... |
| Rags | ..... | 50 |
| Raw Silk, in bales | 10 | ..... |
| Rattans for dunnage | 20 | ..... |
| Red Wood, ditto | 20 | ..... |
| Rhea | ..... | 50 |
| Rice | 20 | ..... |
| Rope, in coils | ..... | 50 |
| „ Lines and Twines in bundles | 16 | ..... |
| Rum, in casks | 2 puncheons or 4 hhds. | |
| Safflower | ..... | 50 |
| Sago, in cases | ..... | 50 |
| Sal-amoniac, in bags | 20 | ..... |
| „ boxes | 20 gross. | |
| Saltpetre | 20 | ..... |
| Salt | 20 | ..... |
| Sapan Wood for dunnage | 20 | ..... |
| Sealing Wax, in cases | ..... | 50 |
| Seed-lac, in cases | ..... | 50 |
| „ bags | 16 | ..... |
| Senna | ..... | 50 |
| Shells, rough, in bags | 20 | ..... |
| Shell-lac, in cases | ..... | 50 |
| „ bags | 16 | ..... |
| Silk Chussum | ..... | 50 |
| „ Waste | ..... | 50 |
| Silk Piece Goods | ..... | 50 |
| Skins | 14 | ..... |
| Soap, country, in cases | ..... | 50 |
| „ bags | 15 | ..... |
| „ bar | 20 | ..... |
| Stick Lac, in cases | ..... | 50 |
| „ bags | 16 | ..... |

| ARTICLES. | Cwt. per Ton Nett. | Cubic feet per Ton. |
|---|---|---|
| Sugar ... ... | 20 | ..... |
| Tallow, in cases or casks ... ... | 20 | ..... |
| Talc ... ... | 20 | ..... |
| Tamarinds, in cases or casks.. ... | 20 | ..... |
| Tapioca ... ... | ..... | 50 |
| Tea ... ... | ..... | 50 |
| Teel Seed ... ... | 20 | ..... |
| Timber, round ... ... | ..... | 40 |
| „ squared ... ... | ..... | 50 |
| Tincal ... ... | 20 | ..... |
| Tobacco, in bales ... ... | 16 | ..... |
| Tortoise Shells, in chests ... ... | ..... | 50 |
| Turmeric ... .. | 16 | ..... |
| Wheat ... ... | 20 | ..... |
| Wool ... ... | ..... | 50 |

1. Goods in Casks or Cases to be calculated gross weight when paying freight by weight; and where freight is made payable on measurement, the measurement be taken on the Custom House wharf, or other shipping wharf within a radius of 5 miles from the Custom House, except in the case of Cotton, the measurement of which shall be taken at the Screw-house.

2. Measurement to be taken at largest part of the bale,—inside the lashing on one side and outside on the other.

3. Jute, Jute-cuttings, Hemp, Cotton, Safflower, and other articles similarly packed, are screwed in bales varying from 300 to 400 lbs.

4. The term "dead weight" shall be understood to mean the following articles:—Sugar, Saltpetre, Rice, Wheat, Gram, Dholl, Peas, Linseed, Rapeseed and all Metals.

H. W. I. WOOD,
*Secretary.*

# SCHEDULE OF COMMISSION CHARGES

*Revised and adopted by a Special General Meeting of the Bengal Chamber of Commerce held on the 18th June 1861,—with effect from 1st January 1862.*

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| | | | |
|---|---|---|---|
| 1. | On the sale, purchase, or shipment of Bullion, Gold Dust or Coin ... ... ... | 1 | per cent. |
| 2. | On the purchase (when in funds) or sale of Indigo, Raw Silk, Silk Piece Goods, Opium, Pearls, Precious Stones, or Jewellery ... ... | 2½ | „ |
| 3. | On purchasing ditto when funds are provided by the Agent ... ... ... | 5 | „ |
| 4. | On the sale or purchase of all other goods—the commission in all cases to be charged upon the gross amount of sales, and in regard to purchases upon both cost and charges ... | 5 | „ |
| | On returns for Consignments if made in produce ... | 2½ | „ |
| 6. | On returns of Consignments if in Bills, Bullion, or Treasure ... ... ... | 1 | „ |
| 7 | On accepting Bills against Consignments ... | 1 | „ |
| 8. | On the sale or purchase of Ships, Factories, Houses, Lands, and all property of a like description ... | 2½ | „ |
| 9. | On goods and treasure consigned, and all other property of any description referred to Agency for sale, whether advanced upon or otherwise, which shall afterwards be withdrawn; and on goods consigned for conditional delivery to others and so delivered, on invoice amount at 2*s.* per rupee. | half com. | |
| 10. | On making advances or procuring loans of money for commercial purposes, when the aggregate commission does not exceed 5 per cent ... | 2½ | per cent. |
| 1. | On ordering, or receiving and delivering goods, or superintending the fulfilment of contracts, or on the shipment of goods, where no other commission is derived ... ... ... | 2½ | „ |

12. On guaranteeing Bills, Bonds, or other engagements, and on becoming security for administration of Estates, or to Government for the disbursement of public money .. ... .. 2½ per cent.
13. On *del-credere*, or guaranteeing the due realization of sales ... .. ... 2½ ,,
14. On the management of Estates for Executors or Administrators ... ... ... 2½ ,,
15. On chartering ships or engaging tonnage for constituents for vessels to proceed to outports for loading . ... ... ... 2½ ,,
16. On advertising as the Agents for Owners or Commanders of ships for cabin passengers, on the amount of passage money, whether the same shall pass through the Agent's hands or not ... 2½ ,,
17. On procuring freight for a ship by a shipping order or charter, or on procuring employment for a ship on monthly hire, or acting as Agents for owners, Captain, or charterers of a vessels upon the gross amount of freight, brokerage inclusive ... 5 ,,
18. On engaging Asiatic Emigrants for a ship to the Mauritius, the West Indies, or elsewhere, upon the gross amount of earnings ... ... 5 ,,
19. On engaging troops for a ship to Great Britain or elsewhere, on the gross amount of passage money for rank and file . ... ... 2½ ,,
20. On realising inward freight, inward troops, Emigrant, or Cabin passage money ... ... 2½ ,,
21. On landing and re-shipping goods from any vessel in distress, or on landing and selling by auction damaged goods from any such vessel, and acting as Agent for the Master on behalf of all concerned, on the declared value of all such goods as may be re-shipped, and on the nett proceeds of all such goods as may be publicly sold ... 5 ,,

If Opium, Indigo, Raw Silk, or Silk Piece Goods ... 2½ ,,
If Treasure, Precious Stones, or Jewellery ... 1 ,,

| | | | |
|---|---|---|---|
| 22. | On effecting Insurances, whether on lives or property ... ... ... | 2½ | per cent. |
| 23. | On settling Insurance claims, losses, and averages of all classes, and on procuring returns of premium ... ... ... | 2½ | |
| 24. | On drawing, purchasing, selling, or negotiating Bills of Exchange ... ... ... | 1 | ,, |
| 25. | On debts or other claims when a process at law or arbitration is incurred in claiming them ... | 2½ | ,, |
| | Or if recovered by such means ... ... | 5 | ,, |
| 26. | On Bills of Exchange returned dishonored ... | 1 | ,, |
| 27. | On collecting House Rent ... ... | 2½ | ,, |
| 28. | On ship's Disbursements ... ... | 2½ | ,, |
| 29. | On realising Bottomry Bonds, or negotiating any loan on *respondentia* .. ... | 2½ | ,, |
| 30. | On granting Letters of Credit ... ... | 1 | ,, |
| 31. | On sale or purchase of Government Securities and Bank or other Joint Stock Shares, and on every exchange or transfer not by purchase from one class to another ... .. | ½ | ,, |
| 32. | On delivering up Government Securities and Bank or other Joint Stock Shares, on the market value. | ½ | ,, |
| 33. | On all amounts debited and credited within the year (less the balance brought forward) upon which no commission amounting to 5 per cent. has been charged ... ... ... | ½ | ,, |

☞ Brokerage when paid is to be separately charged.

H. W. I. WOOD,
*Secretary.*

# MEMBERS OF THE CHAMBER OF COMMERCE.

Aikman, J. Esq., *Acting Agent, Chartered Bank of India, Australia, and China.*
Agelasto, A. and Co.
Apcar and Co.
Ashburner and Co.
Anderson, Wright and Co.
Barlow and Co.
Begg, Dunlop and Co.
Burn and Co.
Barry and Co.
Birkmyre, Brothers.
Bulloch, Wellsted and Co., (*Mofussil.*)
Carlisles, Nephews and Co.
Carritt and Co.
Cochrane, S., *Manager, Agra Bank.*
Colvin, Cowie and Co.
Crooke, Rome and Co.
Cox, Henry, S.
Cohn Brothers and Fuchs.
DeSouza, Thos. and Co.
Duncan Brothers and Co.
Dwarkanath Dutt and Co.
Duffus, J.
Ede and Hobson.
Ernsthausen and Oesterley.
Ewing and Co.
Elliott, John and Co.
Ezra, E. D. I.
Finlay, Muir and Co.
Gisborne and Co,
Got, Bru & Co.
Graf and Banziger.
Graham and Co.
Grindlay and Co.
Gubboy, Elias, S.
Harper, G. Esq., *Agent, Oriental Bank Corporation.*
Henderson, George and Co.
Heilgers, F. W. and Co.
Herbert, C. H. Esq., *Agent, Chartered Mercantile Bank of India, London and China.*
Hoare, Miller and Co.
Howe, Goodwin & Cole.
Huber and Co.
Jardine, Skinner and Co.
Kettlewell, Bullen and Co.
Kelly and Co.
Ker, Dods and Co.
King, Hamilton and Co.
Longmuir, T., *Manager, Delhi & London Bank, Limited.*
Morris, E., *Agent, Hong-Kong and Shanghai Banking Corporation.*
Mackillican, J., and Co.
Macallister, R., and Co.
Mackinnon, Mackenzie and Co.
Mackenzie, Lyall and Co.
Macneill and Co.
Macknight, Anderson and Co.
McIntosh, A. R., and Co.
Moran, W., and Co.
McKewan and Co.
Oldmeyer and Hadenfeldt.
Payn, T. Esq., *Manager, Comptoir d'Escompte de Paris.*
Petrocochino Brothers.
Prawnkissen Law and Co.
Prestage, F. Esq., *Agent, Eastern Bengal Railway Company.*
Raili Brothers.
Reinhold and Co.
Robert and Charriol.
Rentiers and Co.
Schroder, Smidt and Co.
Schoene, Kilburn and Co.
Sassoon, David and Co.
Shaw, Finlayson and Co.
Steel, Octavius & Co.
Thomas, J., and Co.
Turner, Morrison and Co.
Tamvaco and Co.
Tambaci, Paul and Son.
Ullmann, Hirschhorn and Co.
Weinholt Brothers.
Wilkinson, Captain C. J., *Superintendent, P. & O. Company.*
Wilson, H. F., (*Mofussil.*)
Windram, J., *Manager, National Bank of India.*
Whitney Brothers and Co.
Williamson Brothers and Co.
Wiseman, Mitchell, Reid and Co.
Yule, Andrew, and Co.

*Honorary Member,*

J. A. Crawford, C. S., late Collector of Customs.

# RULES AND REGULATIONS

OF THE

# BENGAL CHAMBER OF COMMERCE.

*First* ..... That the Society shall be styled "THE BENGAL CHAMBER OF COMMERCE."

*Second*... That the object and duty of the Bengal Chamber of Commerce shall be to watch over and protect the general commercial interests of the Presidency of Bengal, and specially those of the port of Calcutta; to employ all means within its power for the removal of evils, the redress of grievances, and the promotion of the common good; and, with that view, to communicate with Government, public authorities, associations, and individuals; to receive references from, and to arbitrate between, parties willing to abide by the judgment and decision of the Chamber; and to form a code of practice to simplify and facilitate transaction of business.

*Third*.... That merchants, bankers, ship-owners, and brokers shall alone be admissible as members of the Chamber.

*Fourth*... That candidates for admission as members of the Chamber shall be proposed and seconded by two members, and may

be elected by the Committee provisionally, such election being subject to confirmation at the next ensuing General Meeting.

*Fifth*..... That the subscription of firms and banks shall be 16 rupees per mensem, of individual members 10 rupees per mensem, and of mofussil members 32 rupees per annum.

*Sixth*..... That any member of the Chamber whose subscription shall be three months in arrears shall cease to be a member, and his name shall be removed by the Committee from the list of members after one month's notice of such default.

*Seventh*... That the business and funds of the Chamber shall be managed by a Committee of not less than five nor more than seven members, including the President and Vice-President, to be elected annually at a General Meeting of the Chamber in the month of May; the President, or, in his absence, the Vice-President, being ex-officio Chairman of the Committee, and in the absence of the President and Vice-President, the Committee to elect its own Chairman. Three to form a quorum.

*Eight*..... Annual elections of President, Vice-President, and members of the Com-

mittee shall be determined by a majority of votes of members, such votes being given in voting cards to be issued by the Secretary,—numbered and bearing his signature; and no voting card shall be received for such purpose unless so authenticated. All vacancies created by the absence of the President, or Vice-President, from the Presidency for three months, or by departure for Europe, or by death, shall be forthwith filled up, and the election determined by votes to be taken as above and declared by the Committee. All vacancies created as above by the absence, departure, or death of any of the members of the Committee shall be forthwith filled up by selection by the Committee, subject to approval at first ordinary general meeting thereafter.

☞ *It is specially requested that before a member is returned to serve on the Committee his nominator shall have ascertained his willingness to accept office in the event of his election by voting cards.*

*Ninth*..... That parties holding powers of procuration shall, in the absence of their principals, be eligible to serve as members of the Committee.

*Tenth*..... Two members of a firm or representatives of a bank shall not serve on the Committee at the same time.

*Eleventh.* That the Committee shall meet for the purpose of transacting such business as may come within the province of the Chamber at such times as may suit their convenience, and that the record of their proceedings be open to the inspection of members, subject to such regulations as the Committee may deem expedient.

*Twelfth.* That all proceedings of the Committee be subject to approval or otherwise of General Meetings duly convened.

*Thirteenth.* That a half-yearly report of the proceedings of the Committee be prepared, printed, and circulated for information of members three days previous to the General Meeting at which such report and proceedings of the Committee shall be submitted for approval.

*Fourteenth.* That the Secretary shall be elected by the Committee; such election to be subject to confirmation at the next ensuing General Meeting.

*Fifteenth.* That General Meetings of the Chamber shall be held at such times as the Com-

mittee may consider convenient for the despatch of business.

*Sixteenth.* That any number of members present shall be held to constitute a General Meeting, called in conformity with the Rules of the Chamber for the despatch of ordinary business.

*Seventeenth.* That on the requisition of any five members of the Chamber, the President, or, in his absence, the Vice-President, or Chairman of Committee, shall call a Special General Meeting, to be held within 15 days subsequent to receipt of such requisition.

*Eighteenth.* That every subscribing firm or bank shall be entitled to one vote only, and that the Chairman of Committee and Chairman of General Meetings and Special General Meetings shall have a casting vote in cases of equality of votes.

*Nineteenth.* That parties holding powers of procuration shall, in the absence of their principals, be entitled to vote.

*Twentieth.* That voting by proxy shall be allowed; provided proxies are in favour of members of the Chamber.

*Twenty-first.* That the Chamber reserves to itself the right of expelling any of its members;

such expulsion to be decided by the votes of three-fourths of members present in person or by proxy at any Special General Meeting of the Chamber convened for the consideration of such expulsion.

*Twenty-second.* That strangers visiting the Presidency may be admitted by the Committee as honorary members for a period not exceeding two months.

*Twenty-third.* That no change in the rules and regulations of the Chamber shall be made except by the votes of a majority of the members of the Chamber present in person or by proxy at a Special General Meeting to be held after previous notice of three months.

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Thos. S. Smith, City Press, Calcutta.

# REPORT

OF

# THE COMMITTEE

OF THE

# BENGAL CHAMBER OF COMMERCE.

**For the half-year ended 31st October 1879.**

CALCUTTA:
PRINTED BY THOMAS S. SMITH, CITY PRESS,
12, BENTINCK STREET.

1880.

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# BENGAL CHAMBER OF COMMERCE.

## Report of the Committee for the half-year ended 31st October 1879.

THE Committee submit their Report on the principal subjects which have had their attention during the past half-year.

### THE LICENSE TAX.

The Committee's letter of 24th July to the members of the Chamber fully explains the circumstances under which they were led to adopt the President's Address at the General Meeting last May, in their letter to the Government of India of 16th June, as an expression of their own views on the subject of the License Tax. A doubt having been raised as to whether the Committee's action in the matter was such as to commend itself to the members of the Chamber generally, the Committee felt it was desirable to elicit a distinct expression of opinion on the subject, and they accordingly resigned office, offering themselves for re-election. Their reinstatement, by an almost unanimous vote, was taken to

be an indication that a large majority of the Chamber approved of what the Committee had done.

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*From Chamber to Government of India,*

*Calcutta, June 16th* 1879.

I AM instructed by the Committee of the Chamber of Commerce to send you, as usual, their half-yearly Report, and especially I am requested to draw your attention to the address of the President at the General Meeting held on the 30th ultimo, and to say that the views therein expressed regarding the license-tax have their unanimous and entire support and approval.

I am further instructed by the Committee to say that in their judgment public confidence in the financial administration of the Government of India has been seriously shaken by the manner in which the famine taxes have been appropriated to the general purposes of the State, and to express their earnest hope that the long enduring trust of the people of this country in the good faith of the British Government may not be destroyed nor imperilled by persistence in a policy which amounts, in fact, to a confiscation of the famine fund.

It has been reported to the Committee that some of the Circular Orders that have been issued by the Board of Revenue in connection with the collection of the license-tax are of an unusual character, and that compliance with them involves a most serious injustice to the tax-payers.

The Committee, unwilling to accept any secondary evidence on the point, applied to the Board on the 4th

instant for copies of all these Circular Orders, but they have as yet received no reply : I am therefore desired by the Committee to request you will oblige them by instructing the Board to place those orders at their disposal.

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*From Govt. of India to Bengal Chamber of Commerce.—No.* 1608, *Simla, 8th July* 1879.

I am directed by the Governor-General in Council to acknowledge the receipt of your letter, dated the 16th ultimo, forwarding a copy of the Report of the Bengal Chamber of Commerce for the half-year ending the 30th April last.

2.—In this letter you request attention to the address of the President of the Chamber at the General Meeting held on the 30th ultimo. You state that the views expressed by the President regarding the license-tax have the unanimous approval of the Committee of the Chamber; and you request that the Board of Revenue may be directed to furnish the Committee with copies of the Circulars issued by them on this subject, having "been reported to the Committee that some of the Circular Orders that have been issued by the Board of Revenue in connection with the collection of the license-tax are of an unusual character, and that compliance with them involves a most serious injustice to the tax-payers." I am directed to say in reply that the attention of the Government of Bengal (with which, as you are aware, the administration of the license-tax rests,) has been called to the remarks made by the President of the Chamber and to the request of the Committee, and a further communication on this subject will be made to you hereafter.

3.—Your letter states that in the judgment of the Committee of the Chamber "public confidence in the financial administration of the Government of India has been seriously shaken by the manner in which the famine taxes have been appropriated," and the hope of the Committee is expressed that "the trust of the people of this country in the good faith of the British Government may not be destroyed or imperilled by persistence in a policy which amounts, in fact, to a confiscation of the famine fund."

4.—That there should be difference of opinion on questions of public policy is inevitable. The Government not only does not complain of honest criticism of its measures, but it fully recognizes the high utility of such criticism, not only to the public interests, but to the Government itself. While, therefore, the Governor-General in Council regrets that the policy of the Government should have been, as your letter appears to him to show, completely misunderstood, he has been glad to receive that letter; it satisfies him that the Government had not succeeded in explaining with sufficient clearness the real nature of the measures which it had taken, and whether this want of success is rightly attributable to the Government or not, the fact is one which it is useful that the Government should know.

5.—His Excellency in Council hopes that the Circular lately addressed to the local Governments regarding the present financial position of the Government, and a copy of which is herewith forwarded, will give to the Chamber of Commerce information on the principal points on which the policy of the Government appears to have been misapprehended.

6.—With regard, however, to the remarks which Mr. Yule, the President of the Chamber, has made in his address, regarding the application of the taxes imposed for the protection of the country against famine, I am to say that the substance and manner of those remarks are such that his Excellency in Council must decline to discuss or to reply to them. He can only express his astonishment and regret that a gentleman holding such a post should have thought it becoming to charge the Government of India with deliberate dishonesty and bad faith, and contemptuous disregard of solemn promises and duties, or to countenance the imputation that its conduct has been "not only faithless, but cunning."

7.—His Excellency in Council does not believe that such language as this is approved by a body of gentlemen like the Bengal Chamber of Commerce, long distinguished for its honorable feeling and its intelligence.

I have the honor to be, &c.,

R. B. CHAPMAN,

*Secy. to the Govt. of India.*

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THE PRESIDENT'S ADDRESS.

*Gentlemen*,—It devolves upon me to move the adoption of the report of the Committee for the past half-year. The subjects dealt with are of the usual varied character: proposed abolition of duties on cotton goods and revision of tariff valuations; the factory bill; the telegraph service; the jute ware-house and fire-brigade act; the stamp act; the doorgah poojah holidays, and several others. Some of these subjects admit of comment, but we have endeavoured, in the prefatory

remarks to each of them, to condense their substance and to express our views upon them as far as such a course seemed to be necessary. In addition to the subjects that have been before us in meeting, we have given, as usual, in the report a summary of the budget statement; and it is to one or two of the questions n it that I am to invite your attention at this meeting.

On the last occasion I had the honor of addressing you, I referred briefly to the license-tax and the manner in which it had been assessed. Since that time we have had some experience of the mode in which it is being collected. And we have in the last paragraph of the budget statement a novel aspect of the purpose for which the tax was levied. In common with most other people, I believed that the sole purpose for which the license-tax was imposed was the prevention of famine, as far as this special taxation was capable of preventing it, by the construction of irrigation works and a cheap kind of railway, and by direct contributions to those requiring sustenance during periods of extreme scarcity. But if the last paragraph of the budget be correct, it seems that to create a famine insurance fund was not the sole purpose of the license-tax, not even the primary purpose. If it were required to meet the loss arising from the reduction of the cotton duties, it would be used for that. If a war were undertaken on our frontier, it would be used for that. If exchange fell, it would be used to make up the loss in remittance. In short, if the fund were needed for the general purposes of the State, it would be devoted to general purposes; but if it were not needed for any other purpose, then it would be applied as an insurance

against famines. That is now claimed to have been the intention of the Government, and in point of fact, that has been the action of the Government; and the claim is accompanied with something like a boast of the far-reaching vision and wisdom of the Government in resisting the importunities of those who pressed for its allocation solely to famine insurance purposes.

I wish to test this position; for, in the interests of commerce as well as in the social and moral interests of the country, it is necessary, above all things, that the relationship of a Government towards the people it governs should not be open to the suspicion of bad faith. There is undoubtedly a strong feeling that the financial department has, in this matter, been too clever by half, or, let me say, not quite so explicit as it might have been. If the paragraph in the budget expresses the real intentions of the Government when passing this tax through the Council, I must say there is some explanation needed of the wholly different language which has, down to the publication of the budget been, with one exception, held towards the public. If the budget paragraph be correct, it would appear that while the dreadful pictures of the famine were still fresh either to the eye or memory, a happy thought suggested itself to the financial department, which shaped itself thus:—Let us avail ourselves of the opportunity to impose taxation of a kind which would be barely tolerated in ordinary times. Let us call it a famine insurance fund, and let us say that the sole purpose of the taxation is to prevent the recurrence of the dreadful calamities that are devastating the Madras Presidency, afflicting Bombay, threatening the North-West, and which might travel as

far as Bengal. The Governor-General can be talked over. We can tell the local Government that while the tax is to be locally raised, it will be spent locally, and that will secure their approval. The people can hardly say nay. Their feelings must be deeply touched by the accounts they are reading, and we can hold dissentients up to scorn and contumely for objecting to sacrifice a little to save their brethren from death and themselves from the risk of starvation; but let us insert in the jungle of speeches and paragraphs that will be made and published, a saving clause to the effect that, of course, in the nature of things we cannot foresee what may happen, and it is just possible that circumstances not now foreseen may shipwreck all our good intentions. Few people will notice it. If all goes well, there will be no need ever to refer to it; but, if the necessity arise, we can drag it out and take credit for the wonderful wisdom that foresaw and provided for the increased demands upon our resources.

There were a few feeble objections heard to the proposed taxation: ours was one of them; but we limited ourselves to asserting that the incidence of the tax should be widened. We could not, for shame's sake, offer any objection to a scheme which was to prevent the recurrence of the horrors of Bellary. Well, the tax was passed. It has been levied and collected in such a way as to lead large numbers to conclude, that if there were a choice between the famine and the tax, they would certainly prefer the famine. Before citing the evidence to show that the paragraph in the budget does not convey an honest and straightforward statement of the purposes of the tax, as set forth in the speeches of the

responsible members of the Government, I will point out some of the special grievances that have arisen in connexion with its assessment and collection. The administration of the Act is thrown upon the Chairman of the municipality in Calcutta and upon the Collector of the districts outside Calcutta. My knowledge of the working of the tax is limited to Calcutta and the neighbouring suburban municipality. Now I need hardly tell you that, neither the Chairman of the Calcutta municipality nor the Collector of the 24-Pergunnahs can attend to the working of the Act. If they had each the heads and hands of Briareus they could not do it properly. Their municipal duties are already more than enough to engage all their time and thought. They therefore appoint a deputy. Of course that deputy is the next official in rank, the Vice-chairman; but his time is also fully absorbed by his municipal work, and other deputies of that deputy have to be appointed, until at last the administration of the Act is left to be carried out by the ordinary assessing sirkars. These men prepare the lists of the persons to be taxed, and determine the amount of the assessment. As the duty of working the Act was jerked down the different grades of functionaries from collector to sirkar, the lists which the latter prepare are jerked up the same grades until they reach the Collector, who, of course, approves the lists and signs them, without knowing anything about them. These lists are suspended in the Collector's Office and copies of them may be, but are not necessarily, posted on the black boards of the police thannahs of the district. It is the duty of those who have been assessed to discover that pleasant fact for themselves.

They may get notice and they may not. I understand that a large number were not informed that any assessment had been made upon them. Thirty days were allowed for appeal, and after that time had expired, the assessment was finally fixed at the amount stated on the list. We know from the appeals that have been decided that only an extremely small percentage of the number have been upheld, and it may be inferred that those who did not know they were assessed at all were as unjustly assessed as those who did know. If the tax be not paid within 60 days of the date of the list, the defaulter is liable to a fine. About two months ago, messengers might have been seen traversing the streets with big handfuls of official-looking papers. These were notices to persons that they had been assessed for imperial license-tax, and that, as they had not paid the tax, they were fined. This fine may be as much as 300 per cent., but the rate, so far as I can ascertain, has varied from 10 to 50 per cent. In addition to the fine, a fee of 1 rupee was charged for giving notice that a fine was imposed; and the person was further informed that if the tax, the fine, and the fee, were not paid in seven days, distraint would follow. Those three-barrelled messages were fired off into many an open door, and I need not say they were received with extreme dissatisfaction. To some poor people who, owing to their ignorance of any assessment having been made upon them, had no opportunity of appealing, the tax and fine are simple ruin; and to many they are a most serious inroad upon their little stock of savings. In the mofussil, far away from the influence of public opinion, the cases of hardship are reported to be even more severe; and

the misery the Act is causing might lead one to suppose that the Government had been studying the art of taxing in some Turkish pashalic.

It is only just to say that the Chairman of the municipality and the Vice-chairman of the suburbs, conscious of the enormous evils that the framing of the Act and the rules under the Act are inflicting, are struggling with unwearied effort to mitigate the wrong which they are powerless wholly to prevent or remedy. But in attempting to do this, their work appertaining to the municipality cannot be properly attended to.

I now revert to the purpose for which the tax was levied. After stating in paragraph 278 of the budget that the insurance against famine has virtually ceased to exist, the last paragraph says:—"The propriety of the course followed by the Government last year in refusing to constitute any separate fund in connection with the famine arrangement has thus, it may be added, been justified by the event. Foreseeing the posibility of such a contingency as that which has actually occurred, Sir John Strachey spoke in the Legislative Council, on the 9th February 1878, as follows:— Suppose, for instance, that the product of the new taxes were by law strictly set apart from the general revenues, and paid into a separate fund only to be applied to specified purposes, if, then, any sudden change of circumstances arose calling for seriously increased expenditure, we should have to choose between the imposition of fresh taxes and the abrogation of the law constituting the fund. With all my desire to see the pledges maintained that we have given * * * * * I think it would be irrational to object to the temporary diversion of any necessary part of revenue

from this purpose * * * * Without thinking of a future, far removed from us, events might of course happen which would make it imposible even for us who have designed these measures to maintain our present resolution." Here Sir John Strachey repudiates the notion of the fund being applied to specified purposes, and, having said so on 9th February 1878, he justifies the appropriation of the fund to the general purposes of the country. A few days before the publication of the budget, a deputation from the British Indian Association waited on Lord Lytton with a memorial, in which they hinted, rather than stated, that the license-tax, as well as other taxes, had been added to the general revenue of the country, which accounted for the alleged surplus that had shortly before been telegraphed from England. His Excelleney, in reply, repudiated with great warmth the charge that was implied in the statement of the memorial, and said—"You have entirely failed to recognise the fact that the sole purpose of the additional taxation you complain of was the preservation of the lives of the people of India from the effects of famine." The action of the Government in this matter "was dictated by the sincerest and most anxious desire to give to the people of India the greatest protection which could practically be provided for them against the calamities of future famines. To insinuate the contrary is to insinuate a calumny." Now it appears to me there is a contradiction here. Looking back to the time when the reasons for this tax were laid before the Council, in the speech which Sir John Strachey made on the 27th December 1877, we have the policy of the Government on this subject expounded. It had been determined to throw, as far as possible, the burden of

future famines upon the provinces in which they might occur. To that end the construction of canals and railways, purely of provincial utility, was to be enjoined on the local Governments, and the cost was to be provided by funds locally raised. They adopted the views of Lord Salisbury, who wrote—"While we fully admit the obligation which rests upon the State of preserving the lives of the people, it cannot be doubted that the primary responsibility for providing for their own support ought to rest upon the people themselves." Carrying out this principle, they had taken a step in the right direction, by throwing upon each province the responsibility for meeting the charges for providing the public works required for the protection against famine of its own people. Carrying out this principle still further, the agricultural and the artizan classes were selected as those who should, furnish the insurance fund; because the field labourer, the ryot, and the poorer members of the trading and industrial classes are the people who require assistance in famine times. The fund was to be applied to the sole purpose of protecting those people, and it is they on whom the burden of providing the fund should fall. It was, however, to be supplemented by a tax on the richer traders upon the supposed ground that famines added to their income. Priests, lawyers, schoolmasters, and people with fixed incomes, rarely required Government assistance, and as no portion of the fund would be for their benefit, they would not be called upon to supply any portion of it. The insured alone ought to pay the premium of insurance. This was not a tax for the general purposes of the country, but a special one for a special purpose. The tax would be collected by the local Governments, and would be passed

on as a matter of form and convenience to the general treasury. The Supreme and Local Governments would consult together as to the works to be constructed. When these were settled on, the money would be handed back to be spent on those works, which would be carried out under the responsibility of the Local Governments. The Supreme Government would render, through the Public Works Department, such assistance as might be necessary or desirable in fixing upon the most useful and practicable schemes. But while it was the firm intention of the Government to apply the funds strictly to the objects they were intended to secure, events might happen which would render it impracticable even for them to adhere to their intention; but they considered the sum (£1,500,000) that had been mentioned, ought to be religiously applied to this sole purpose; and they hoped no desire to carry out any administrative improvement, however urgent, or any fiscal reform, however wise, would tempt the Government to neglect this sacred trust. Such, I think, is a fair summary of the speech in which the Financial Minister introduced the famine insurance fund to the notice of the Council. The speech is not a clear one, and some concern was manifested about the few sentences in it regarding the possibility of the fund being diverted, if some pressing exigency arose, from the purpose for which it was to be levied. Upon the whole, there seemed to be little doubt that the money would be spent upon famine works. Lord Lytton also addressed the Council. If there were some qualifying phrases in Sir John Strachey's speech, there is not the trace of one in His Lordship's address. He referred to the intentions of previous Governments, who, when the pressure of distress was severe, and actually

existing, resolved that something should be done to prevent the recurrence, or to mitigate the misery, of famines. The good resolves vanished with the relaxation of the pressure, and nothing was done. But it would be different this time, and His Lordship, becoming humorous, said—"I can well imagine what many of those I am now addressing may be disposed to say to me—Your good intentions are possibly sincere, but the path to the nethermost pit is already paved with good intentions. Promise is a good dog; but performance is a better. We have often heard the bow-wow of the first; we have yet to see the tail of the second." Then he states that they will not be open to this kind of criticism. They were to act; they had promised nothing which they had not provided themselves with the means of performing. "He was not now speaking of what they ought to do, but of what they would do, with the means provided by the proposed taxes. There would be a prompt commencement and an uninterrupted continuation of the great and necessary task." There were nevertheless some fears expressed that the taxes would be diverted from the sole purpose for which they were to be raised. To allay all such misgivings, Sir John Strachey said in the Council, on 16th January following: "I feel confident that I shall be able to satisfy the Council and the public that the resolution which the Government has proclaimed will be faithfully carried out, and that the proceeds of these new taxes will be expended for the purpose of providing what I have called an insurance against famine, and for no other purpose whatever." Whether it was owing to Sir John Strachey's manner, or something else, there were still misgivings about his real thoughts as to this business. It may have

been that his declaration at the previous meeting, that the money would be religiously applied, and his prayerful-like aspiration that he hoped they would not be tempted to betray the sacred trust, excited the suspicion which he may have thought a touch of the religious element was well fitted to allay. Plain men of the world have frequently noticed that, when Heaven is called in to back an every-day kind of undertaking, the person pledging himself is apt to consider, if a difficulty arise in the keeping of the pledge, that that is Heaven's way of intimating that the vow need not be kept. Whatever may have been the reason, some of the Members of the Council were not satisfied, even with so strong and positive an assurance; and they represented that they could see no reasonable objection to placing the income to a separate account, since the fund was to be applied to a special purpose. To collect money from the Local Governments to be handed back again was an unnecessary proceeding; and, besides, the people could hardly be satisfied with a verbal assurance, however strong, when there was a manifest aversion to give reasonable security that the pledge would be kept. The Hon'ble Mr. Thornton earnestly pleaded that "something be done to show the tax-payers and the public generally, unmistakably, that famine insurance is not a mere pretext for raising money for general purposes, but that the tax is *bonâ fide* expended on the object for which it is raised. Then came Sir John Strachey's speech of 19th February" an extract from which forms the last paragraph of the Budget. It is an angry kind of speech. He had been further annoyed and fretted with the clamours for a separate fund, and for some security that the money would go back to the Local Governments. Some time ago, a cut appeared in *Punch*

of a gentleman who had been dunned by his tailor for payment of an account. The gentleman lost his patience at last, and said to the tailor—"I tell you what it is—if you come about annoying me in this way, I will send for the police." Sir John did not hand his tormentors to the police, but he let the cat out of the bag. He objected, he said, to make a separate fund of these taxes. "It seems to have been supposed by some that the primary object of the Government of India was to give to the Local Governments the proceeds of these new taxes. There could be no greater mistake," and Sir John was sure he never said anything to justify it. "What the Government desired was to establish a sense of the obligation under which it is placed in respect to the expenditure due to famine, which shall be felt in the same way as the obligation to provide proper courts of justice, police, education, and so forth." He objected to set aside or even to regard the fund as for any specified purpose. It was to add to the general resources of the country, and he hoped that out of the increase he would be able to do all he had ever promised in behalf of famine insurance; and he thought it would be irrational to place him in such a position that he could not use the fund for purposes that might, in his judgment, be more necessary than carrying on works of irrigation or making cheap railways. This speech of Sir John Strachey created a most painful impression, and Lord Lytton appears to have considered it necessary to write a minute on the subject, with the view apparently of allaying the distrust that had been excited, and of correcting the false impression which the speech had created. The minute is dated 12th March 1878, which was a month after Sir John's speech. He says that "the revenue raised by the

new taxes is required not for general purposes but for the construction of a particular class of public works ; and the Government had pledged itself not to spend one rupee of the special resources thus created upon works of a different character." His Lordship then states that the pledges his financial colleague was authorized to give on these points were explicit and emphatic ; and the mistrust of their sincerity had arisen from the impossibility of explaining in detail the precise character of the guarantees the Government bound itself to provide for the faithful redemption of the pledge. I cannot see where and how the impossibility of explaining the arrangement could have arisen. It is by no means a difficult arrangement either to state or comprehend, and I think I may take it that this is the official way of saying that Sir John Strachey stated more than he was authorized to state, and had thus caused the distrust His Lordship was by that minute trying to dispel. But His Lordship goes on to say that, as it was impossible to explain the precise details of the guarantees which the Government bound itself to provide, "it is all the more binding on the honor of the Government to redeem to the uttermost, without evasion or delay, those pledges for the adequate redemption of which the people of India have, and can have, no other guarantee than the good faith of their rulers." He quotes a passage from his speech when the Bills were introduced to the Council, to which he adheres : " We are conscious of the reproach we should justly incur, if, after such a declaration as I have now made, the prosecution of these works were commenced, suspended, or relinquished according to the increased or relaxed pressure of annual circumstance."

"They were prepared to provide the Local Governments with the means whereby they may, from year to year, work systematically forwards and upwards to the completion of such a scheme." "The funds locally raised for the purpose will be locally applied." The minute is a clear, frank, honest statement. There is no balancing of contingencies, no appeal to Heaven that they may not be tempted to betray the sacred trust. The money is to be raised for a special purpose, and to that purpose and no other shall it be applied. When the License Tax Bill was introduced to the Bengal Council, the Secretary commended it to the acceptance of the Council, on the ground that it would complete and perfect the policy of decentralization that had contributed so much to the welfare of the presidency; for the taxes to be raised would be devoted to the construction of useful works which would contribute to the prosperity of its own people; and then he said, "these taxes are not required by us to bolster up unholy war, or carry carnage through a neighbour's land. We seek to save the lives and not to filch the earnings of the poor, and we demand from the people of Bengal the means of warding from their doors that famine spectre that has slain already so many of their brethren, and may, for aught we know, be knocking at their own homes in the early future."

The Hon'ble Kristo Das Pal, at the following meeting of Council, expressed a doubt as to the ultimate destination of the fund; but he was assured by the Lieutenant-Governor, in reply, that "he believed it was the intention of the Government of India that the money collected in each province would be

expended in productive work in that province. We hear no more of the purpose for which the tax was levied until March last, when the British Indian Association presented to His Excellency in person the memorial I have referred to. Memorials of a similar character went up from the Trades' Association and this Chamber. The reception which they met with reminds one of the physicking-day at Dotheboy's Hall; but there was this difference,—the physic was not mixed, and while the British Indian Association got all the sulphur, the Trades' Association and the Chamber got all the treacle. But while the Governor-General was rebuking the British Indian Association for insinuating that that the tax was being misappropriated from its sole purpose, the Financial Department was reproducing the paragraph of Sir John Strachey's speech of 9th February, in which he stated there was no specific destination for it, except in the sense that provision for the maintenance of courts, police, education, and so forth, was specific, and what had since happened proved the wisdom of their decision.

Now several questions suggest themselves. The first is—what can the Governor-General think of the matter? How comes it that while he states the tax was for a specific purpose, the budget justifies, the appropriation of the fund on the ground that it was "for no specified purpose." The second is,—what can Sir John Strachey think when he compares his statement of 16th January 1878,—that the taxes "would be expended for the purpose of providing against famine and for no other purpose whatever"—with the budget which in effect denies that any such promise was ever made? Thirdly, what can the Local

Governments think of it? They told the people of their respective provinces that the tax would all come back to them in the form of canals, and railways, and irrigation works. They softened the appeal with a glowing picture of the famine spectre warded from their doors. What can they say, except that the Supreme Government has taken the money, and has found more pressing uses for it than saving he lives of the people. An irritating controversy about cotton duties, and some other such controversies, must be settled first. What can they do, but keep mournful silence in the presence of a deed over which angels may weep, of the bread snatched by tax and fine from the poor, under the hollow pretext of storing it for them against more distressful times? Fourthly, what can the people who have been assessed think of it They were selected out of the rest of the community to pay the money, because it was to be invested for their special benefit, and not for general purposes.

In the budget, much stress is laid upon the conditional promise that the cotton duties would be removed as soon as the finances permitted. The condition has, unhappily for the country, not arisen. The financial state of the country is worse now than when the promise was made, but this conditional promise must be kept; honor, justice, and, I think I may add, the near approach of the dissolution of Parliament demand it. The special positive pledge that the tax for famine insurance would be devoted to the sole purpose for which it was raised is jeered and gibed at. Part of the proceeds of the special tax, for a special purpose, under a special pledge, is to be devoted to carrying out the conditional pledge. The times are out of

joint when this can be done with safety. The asseveration that the proceeds of the tax would be religiously applied to the specific purpose for which the tax was levied; the sacred trust which no fiscal reform would tempt the Government to betray, are treated as trifles. The English people in the time of the Stuarts was not unfamiliar with this sort of pledge and performance. The story of the millions who perished of hunger is a year old, and need be little thought of now. But we have the assurance of the 281st clause of the Budget, that "the Governor-General in Council still believes £1,500,000 a year in ordinary times is necessary to cover this liability alone." The short, cold statement in connection with such a subject reads like an undertaker's estimate of a funeral. This is probably the last we shall hear of famine insurance. The fund itself will help to plaster the rents and fissures in the yearly Balance Sheet. Like

> "Imperial Cæsar dead and turned to clay,
> 'T will stop a hole to keep the wind away."

The license-tax, however, will remain; but its name, while it lasts, will fitly describe the liberties that have been taken with the virtuous purposes for which it was ostensibly imposed. I cannot help thinking that the course the Government has finally adopted with regard to this fund is a most perilous one for its own good name. Rightly or wrongly, there is the impression abroad, that there has been something akin to faithless, not only faithless, but cunning conduct in this business; and no one can deny that it is a most serious disadvantage to the Government of a country to have a belief of this kind

existing among any considerable portion of the people they govern; and it is the clear duty of citizens to give expression to such a belief and the grounds of it. Coming in this way, as it may do, under the notice of Government, they may see how the misapprehension has arisen, and take steps to remove it, or they may see wherein they themselves have done injustice, or rather, have erred; for there are, I hold, many ways in which most of the shortcomings of mankind may be accounted for, apart from the assumption that they are the outcome of the desire to do evil. But if the deeds be wrong, they ought none the less to be exposed and condemned, for folly and mistake are no less fruitful of disaster than intentional mischief or purposed deception.

The most satisfactory, indeed, I think I may say, the only satisfactory, part of the Budget statement is that which has reference to the abolition of the salt customs line. It seems incredible that so barbarous an obstacle to business could have existed up to this time. While we have been spending money by tens of millions to facilitate the transfer of commodities from one district of the country to another, we were at the same time maintaining a barrier by which trade was impeded and harrassed at a cost of upwards of £150,000 a year. Ten thousand men have, for 35 years, been drafted from the industry of the country not to remain idle but to be the instruments of positive mischief. To Sir John Strachey belongs the high honor of having successfully dealt a mortal blow at this monstrous Gorgon, stretching its hideous length of 2,000 miles across the country, accursed, as he says, alike of gods and men.

*From Government of India, Financial Department, Accounts and Finance, to all local Governments and Administrations.—No.* 1291, *Simla, the 16th June* 1879.

By his Resolution No. 410 of the 1st ultimo, the Governor-General in Council communicated to the Local Governments and Administrations a general statement of the measures which he proposed to take for the reduction of the Public Expenditure. It was, at the same time, announced that it had become necessary to revise the existing financial arrangements with the Local Governments, with the object of obtaining relief to the Imperial Treasury, and averting, so far as possible, the necessity of imposing on the country fresh burdens, whether Imperial or Provincial. The Governor-General in Council stated his intention of immediately placing himself in communication with the several Local Governments, and of consulting them in regard to the particular measures which should be adopted for the attainment of that object.

2. These communications have already commenced, and his Excellency in Council thinks that it may facilitate the settlement of the questions which remain to be considered, if he now gives to the Local Governments a sketch of the present financial position of the Government of India.

3. The Financial Statement for the current year 1879-80, published on the 13th March last, was drawn up under very exceptional circumstances. They are well known to the Local Governments; but it may, nevertheless, be convenient to recapitulate them, and it will thus be easier to show clearly the important changes in the financial posi-

tion of the Empire which have taken place since the commencement of the official year.

4. Early in 1878, the Government of India declared the necessity of recognizing the fact that the obligations entailed on the Government by the periodical and inevitable recurrence of famine must be provided for among the ordinary charges of the State. As soon as it was admitted that famines must be looked on, not as abnormal or exceptional calamities, but as certain, from time to time, to recur, it became obvious that sound financial policy obliged the Government to reject altogether the expedient of trusting to borrowing to meet the charges which they entailed, and that it was essential to make such an improvement in the financial position of the Government, as would enable it to meet those charges from its ordinary revenue. This could only be done by securing in years of normal prosperity a surplus sufficient to meet the excess expenditure which must be incurred in time of famine.*

* Financial Statement for 1878-79, para. 15.

The Government decided that the amount of financial improvement necessary to enable it to undertake these new burdens could not safely be estimated at less than £1,500,000 a year. The nett Imperial resources had, therefore, to be increased by that amount on account of famine alone.

5. £400,000 a year was provided, without any fresh taxation, either imperial or provincial, by administrative changes and improvements. The remaining £1,100,000 was furnished by additional taxation; and thus the requisite sum of £1,500,000 was made good.

The manner in which it was proposed actually to apply this surplus has often been explained. The public debt was to be reduced, or its growth prevented, to the extent of £1,500,000 a year, and thus resources were to be stored up in years of prosperity, by means of which, when famine actually occurred, it would be possible to discharge the heavy obligations which would then fall upon the State.

6.—In the first statement made on the subject in the Legislative Council on the 27th December 1877, Sir John Strachey spoke as follows:—

"It is the firm intention of the present Government to apply the funds, now to be provided for this special purpose, strictly to the exclusive objects which they were designed to secure. In such matters, no doubt, Governments cannot fetter their successors, and nothing that we could now say or do would prevent the application of this fund to other purposes. Without thinking of a future far removed from us, events might of course happen which would render it impracticable even for us, who have designed these measures, to maintain our present resolutions. So far, however, as we can now speak for the future, the Government of India intends to keep this million and-a-half as an insurance against famine alone. In saying this, I should explain that we do not contemplate the constitution of any separate statutory fund, as such a course would be attended with many useless and inconvenient complications, without giving any real security. Unless, then, it should be proved hereafter by experience that the annual appropriation of a smaller sum from our revenues will give to the country the protection which

it requires, we consider that the estimates of every year ought to make provision for religiously applying the sum I have mentioned to this sole purpose, and I hope that no desire to carry out any administrative improvement, however urgent, or any fiscal reform, however wise, will tempt the Government to neglect this sacred trust."

7. These assurances have frequently been repeated. The Governor-General in Council has never swerved from his resolution; he is at this moment as firmly determined as ever to maintain that resolution in all its integrity, and he has, he hopes, succeeded in maintaining it in spite of circumstances altogether beyond his control, and of exceptional and extreme difficulty.

8. At the beginning of the last financial year, 1878-79, the Government of India believed that it had not only secured the annual surplus of £1,500,000, required for the protection of the country against famine, but an additional surplus of nearly £500,000 to meet unforeseen contingencies. In the course of the year, however, circumstances occurred which made a very grave alteration in the financial position of the Government. The exchange value of the rupee fell to a most serious extent, and the country became involved in war. Notwithstanding these untoward events, the Government was able to meet from its revenues the whole charges of the war to the end of 1878-79, amounting to £670,000, to spend £555,000 on famine relief, and in addition to all this a surplus of £1,300,000 for famine insurance remained. Although the surplus of the year was increased by special causes, the hopes and assurances of the Government in regard to the provision of means

for protecting the country against famine were, in 1878-79, more than fulfilled.* The accounts of the year not having yet been closed, the figures now given are necessarily open to some correction, but there can be no doubt of the substantial accuracy of these conclusions.

* See Financial Statement for 1879-80, para. 159.

9. When three months ago, the Budget arrangements for the present year had to be made, the war still continued, and the fall in the exchange with London had become still more serious. Although the help expected from the British Treasury relieved the Government from immediate anxiety on account of the expenses of the war, it was impossible to say how long the war might continue, or what charges it might ultimately entail. The prospect presented by the further diminution of the exchange value of the rupee was, however, a cause of far greater financial apprehension.

10. It may be assumed that India has now to pay and raise in the year by taxation, on account of the Home charges, a sum exceeding by about £3,000,000 what would have been necessary if the exchange had remained at the rate prevailing before the long standing equilibrium between gold and silver was disturbed.† The estimates of the present year were worse by £1,364,000 than they would have been if the exchange could have been taken of the same rate as that taken for 1878-79. This additional charge exceeded by about a quarter of a million the whole sum yielded by the new taxation imposed for the protection of the country against famine. In every other respect the condition of the finances

† Financial Statement for 1879-80, para. 276.

was satisfactory. But for this cause, there would have been, apart from the war, a real surplus on the estimates of the year, of more than £2,000,000. As matters actually stand, this surplus, after allowing for the loss of revenue caused by the partial remission of the duties on cotton goods, has been reduced to about £800,000*; a sum less by £700,000 than the surplus of £1,500,000 required on account of insurance against famine alone; and less by £1,200,000 than the total surplus of £2,000,000 which the Government of India has repeatedly declared to be required, and which, it believed a year ago, that it had secured.

* Financial Statement or 1879-80, para. 265.

11. The question whether this most serious and indefinite growth of the charges on account of loss by exchange could be prevented by an alteration in the law regulating the currency of India has, it is generally known, been long under the anxious consideration of the Government. If, as some authorities maintained, it could be shown to be in the power of the Government to apply, by this means, and without injury to the country, a sufficient remedy for the evil, it was clear that this course should be adopted. If, on the other hand, no such remedy was possible, other measures for the improvement of the financial position of the Government were not less clearly requisite. It seemed to the Government of India that this question must be settled before any measures for imposing new taxation, or for reducing really useful expenditure, could properly be adopted. The Governor-General in Council accordingly reported this conclusion, with a full statement of his own views, to the Secretary of State; he said that in the event

of sufficient proof being given, within a reasonable time that, through an alteration in the currency law, or by the operation of other causes, a permanent recovery of the exchange could be anticipated, "it would be prudent to accept the temporary loss of the surplus, secured by the arrangements made at the commencement of the present financial year, by which we had hoped that an insurance against famine had been provided for the people of India. We feel, however, that a final judgment on the question of policy cannot long be delayed, without loss of character to the Government and serious danger to the country."

12. When the Financial Statement for the present year was published, this question was under the consideration of Her Majesty's Government, and the fact was announced in paragraph 280 of the Statement. It was said that it was not desirable to enter further into the subject "until Her Majesty's Government has had time to mature its decision in regard to the measures which ought to be taken." It was added, that although for the present, the Governor-General in Council thought it wise to abstain from imposing any fresh burdens on the country, and to accept the temporary loss of the Famine Insurance Surplus, he would, "in no degree, abandon the imperative duty of making, to the utmost of his ability, provision for protecting the country against famine. He still believes that a surpuls of £1,500,000 a year, in ordinary times, is necessary to cover this liability alone."

13. It still appears to the Governor-General in Council that no other conclusion could, under the circumstances of the case, have been reasonably adopted; and this conclusion, which was rendered desirable by the position

of the question of exchange, would, if no such question had arisen, have been rendered necessary by the war. The Government of India has always declared that circumstances calling for seriously increased expenditure of a temporary character might occur in which it would be wise to accept the temporary suspension of the Famine Insurance Surplus as the lesser of two evils. This was the policy which the Government of India resolved, under the circumstances described, to adopt at the commencement of the present year; and, although it was unfortunate that the contingency which had been foreseen as possible should have occurred so soon after the arrangements for the protection of the country against famine were supposed to have been completed, the Governor-General in Council has no doubt that the proper course was taken.

14. Although the Governor-General in Council thus resolved to await the decision of Her Majesty's Government on the important question which was under its consideration, he did not, on this account, neglect the duty of being prepared to take immediate action, if that decision should render it necessary to abandon the expectation that some relief from the increasing difficulties caused by the fall in the value of silver in relation to gold might be found by altering the law by which the currency is regulated. The official orders of the Secretary of State, to the effect that measures in this direction appeared impracticable, were issued on the 19th May; but their purport was known to the Government of India a few weeks earlier. About the same time, it became possible to look forward with confidence to the termination of the war, and to the removal of the anxiety which was felt on this account when the

Financial Statement was made. On the 1st May, the Resolution referred to in the first paragraph of this letter was published, declaring that immediate measures must be taken for the reduction of the public expenditure in all its branches, and for the revision of the arrangements between the Imperial and Provincial Governments. The Governor-General in Council has no doubt that everyone will agree in the opinion that, however unfortunate may be the necessity for these measures, it was the duty of the Government to take them rather than impose fresh taxation.

15. The orders that have already been issued provide for a reduction next year of £733,000 on the ordinary Imperial and Provincial grants for Public Works, and stringent measures are being taken for the reduction, at no little sacrifice, of the Central Establishments of the Government of India. The amount by which the revision of the Provincial assignments will increase the resources of Imperial Treasury cannot now be stated; but there can be no doubt that it will be considerable. The Governor-General in Council hopes, by the various measures in progress, to obtain, in the Civil Departments alone, an improvement in the finances which may, with the active co-operation of the Local Governments, amount to £1,000,000; against this, however, there must be a serious set-off on account of pensions and other forms of compensation to the officers with whose services it will be necessary to dispense.

16. With the object of examining into the whole question of Military expenditure in India, and the possibility of reducing it without interfering with the efficiency

of the Army, a Commission of experienced Military and Civil Officers, under the presidency of Sir Ashley Eden, has been appointed. An investigation by a Committee, under the presidency of the Earl of Northbrook, is also going on at the present time in London into the question of the Home Military charges. The Governor-General in Council cannot now say anything in regard to the probable results of these inquiries in this country and in England, but it is his earnest hope and expectation that they will prove beneficial in a high degree to the interests of India.

17. It has been shown, in the 10th paragraph of this letter, that the sum of £700,000 must be provided to restore in its integrity the surpuls of £1,500,000 required as an insurance against famine. The reductions of expenditure, and the other measures which have already been taken, have more than covered this amount. It may therefore be confidently said that the Government of India has already, without imposing fresh burdens on the people, made provision for securing the full amount of the surpuls originally declared necessary for protecting the country against famine, as well as for recouping the loss of revenue caused by the reductions lately made in the duty on cotton goods.

18. In saying this, it is of course assumed, that no fresh causes will lead to a large increase of expenditure, or to a large falling off in the revenue. With the single exception of the loss by exchange, no cause of financial anxiety is now apparent; but how serious this exception may prove in the future, has unfortunately been shown most forcibly by the experience of the past. This indefinite and uncontrollable liability throws an element of

doubt into all the financial arrangements of the Government; it is this liability which has rendered necessary the stringent measures which have been taken for reducing expenditure on works most useful to the country and essential to its rapid progress, which has obliged the Governor-General in Council to disturb, to some extent, the satisfactory relations established between the Supreme and Provincial Governments, and has made it impossible to say that India may not have to submit hereafter to further sacrifices. His Excellency in Council is not, on this account, less firm in his resolution to maintain the finances of the Empire in a thoroughly sound condition, nor is he less confident of complete success in carrying that resolution into effect.

19. The Local Governments are aware that it has been decided to reduce very largely the expenditure, not only on Ordinary Public Works, but in accordance with the instructions of the Secretary of State, on Productive Works also. His Excellency in Council does not disguise from himself the serious injury which must be caused by even the temporary restriction of a policy followed for many years past with eminent success, and which, in spite of all mistakes, has promoted to an extraordinary degree the material progress of the country. The Government of India greatly regrets the unfortunate necessity under which, by causes altogether beyond its control, it has thus been placed.

20. Rigid economy in every branch of the public service is, in present circumstances, the policy which must be followed. To quote again the words of the Resolution of the 1st May:—

"Unless positive necessity exists, no improvements in administration, however desirable, must be undertaken if they involve increased charges; no fresh establishments must be entertained; no new offices must be created; no new works, which it is possible to postpone, must be commenced."

It is through this policy of retrenchment and economy that the necessity for fresh taxation has, for the present, been avoided; and if the fall in the value of silver in relation to gold should further increase, strict adherence to that policy will be more than ever essential. The Governor-General in Council knows that every Local Government and Administration in India will give to him its loyal support in carrying out the measures which he has resolved to adopt.

I have the honor to be,
SIR,
Your most obedient Servant,
R. B. CHAPMAN,
*Secretary to the Govt. of India.*

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*Bengal Chamber of Commerce,*
*Calcutta, 24th July* 1879.

The Committee of the Chamber of Commerce deem it their duty to lay before Members of the Chamber copies of the correspondence which has passed between the Government of India and themselves upon the subject of the License taxes.

It has been customary for the Secretary to forward to the Supreme Government a copy of each half-yearly

report—in which is bound up the address of the President for the time being—and the usual pratice would have been followed after last half-yearly meeting, probably without comment, had it not been for the receipt by the Secretary from a high official of a letter marked "*Private*" "No. 630" in the following terms:—

"Your Chairman's address contains so much that is of peculiar interest to us that it might be useful if you would favor us with a copy officially, with or without any covering letter or remarks from the Chamber, but in such a form as to afford the Government of India an opportunity of offering any explanation which it may think fit in respect to some of its proceedings, which I gather from Mr. Yule's address have been somewhat misunderstood. I shall be grateful if you can oblige us by affording us the opportunity which cannot fail to be of public advantage."

At the time when this letter was received your Committee had under consideration the propriety of memorialising Government on the subject of the license-tax, but, having regard to the facts that any such memorial would have travelled over much the same ground as that taken by Mr. Yule—that at the meeting of the Chamber Mr. Yule's speech had been received, not merely without a dissentient voice, but amidst general applause—and that not a single member had, by letter to the Committee, or otherwise, expressed dissatisfaction with either substance or manner of the President's address, although a copy had for some time been before every member—your Committee decided to simply comply with the semi-official request which they had received, and to forward

to Government a copy of the address, accompained by a letter, expressing their own approval of the opinions to which the address gives utterance.

The charges formulated by Mr. Yule against the Government may be summarised as follows:—

1*st*.—That the taxes known as the "license," or "famine taxes," were raised under repeated assurances from the lips of the Viceroy that the proceeds of these taxes should be expended "not for general purposes but for the "construction of particular class of public works to consti- "tute an insurance against future famine; the Govern- "ment pledged itself not to spend one rupee of the "special resources thus created upon works of a different character," whatever "the pressure of annual circumstances" might be; his Lordship stating that he considered it "binding on the honor of the Government to "redeem to the uttermost, without evasion or delay "pledges for the adequate redemption of which the people, "of India can have no other guarantee than the good "faith of their rulers."

2*nd*.—That these utterances, so emphatic and reiterated, coming as they did from a Governor-General invested with almost despotic authority, justified the general belief in a solemn pact between governor and governed as to the disposal of the famine taxes.

3*rd*.—That in like manner the License Tax Bill was recommended to the Bengal Council on the ground that the taxes to be raised in Bengal would be devoted to the construction of useful works within the same Presidency, so as to give the Government the means of "saving "the lives of the poor; of warding from their doors that

"famine spectre which had slain already so many of their "brethren."

*4th.*—That in faith of such pledges the taxes were accepted by the Councils of the Supreme and Local Governments.

*5th.*—That the taxes have been levied exclusively upon particular sections of the community on the declared ground that such selected members of the general public were those who made money out of famines, or else were specially interested in providing against their recurrence.

*6th.*—That, in spite of the pledges cited above, the proceeds of the famine taxes have not been applied in the construction of useful works, nor in any such manner as could intelligibly be called "insuring against famine"; but that they have been converted to the general purposes of Government.

*7th.*—That these circumstances had created in the minds of many, a feeling that the action of Government had been characterised by bad faith.

*8th.*—That the assessment of the license-tax had been conducted in an arbitrary and objectionable manner, and that its collection had involved numerous cases of injustice, and produced cruel distress among the most helpless section of the community.

After serious consideration of all the facts, your Committee arrived at the conclusion that Mr. Yule was justified in the views he expressed; and holding also with him that "it is a most serious disadvantage to the Govern-"ment of a country to have existing, among any consider-

"able portion of the people," an impression that there had been, in the action of Government, "something akin to faithless and cunning conduct" your Committee were agreed that "it is the clear duty of citizens to give ex- "pression" to the fact of the existence of such a belief in order that Government "may see how the misappre- "hension had arisen and take steps to remove it."

It was not necessary to this consensus of opinion that the Committee should adopt every phrase and turn of expression which Mr. Yule might have used, but your Committee adopted the address as giving utterance, in substance, to views which had, and still have, their unanimous support.

As evidence that the views expressed by Mr. Yule, and adopted by your Committee, are not without sympathy in other parts of the empire, your Committee call your attention to the fact that, in their memorial to the House of Commons, dated 22nd April 1879, the Madras Chamber of Commerce declare that the Goverment of India had "entered into public pledges of a solemn and binding character;" that the Finance Minister had even gone beyond "ignoring such obligations"; that the Government had, "broken faith with its tax-payers" and so behaved that if any commercial company had acted similary it would have forfeited all claim to public confidence. These are not words uttered in a spoken address, but charges deliberately put forward in the course of a solemn appeal to the Imperial Parliament.

The Governor-General in Council, replying to the Secretary, expresses his astonishment that Mr. Yule "should "have thought it becoming to charge the Government of

"India with deliberate dishonesty and bad faith, and con-
"temptuous disregard of solemn promises and duties,
"or to countenance the imputation that its conduct has
"been not only faithless but cunning." His Excellency
"in Council does not believe that such language is ap-
"proved by a body of gentlemen like the Bengal Chamber
"of Commerce."

The Committee believed that the Members of the Chamber will find that the address of their President, outspoken though it be, is not open to the censure which the Government passes upon it. The passage singled out is the one which your Committee has already quoted: it is found on page 23 of the report. The President is not uttering his own sentiments, but reporting a current impression, and commenting on the harm it may do to the Government. For himself he is careful to draw a distinction between mere error, however mischievous in its results, and intentional evil-doing.

Whatever view may be taken of the fairness or otherwise of His Excellency's rejoinder, or of its pertinence to the serious questions brought under His Excellency's notice, the Committee accept his censure of their President as a censure upon themselves; and labouring thus under public reproof from the Viceroy of India, your Committee submit themselves to the judgment of the Chamber. They accordingly place their resignation in your hands, although willing to serve out their term of office if honored by a renewal of your confidence.

Your Committee are unwilling to further occupy your time with anything not strictly relevant to immediate issues, but they think it may belong to their own justi-

fication to point out that the circular of the 16th June, upon which rests the Government defence, is no real answer to Mr. Yule. The circular passes over, almost in silence, those strong and positive assurances of the Governor-General upon which the people of India relied, to bring into prominence a carefully balanced paragraph of doubtful meaning in one of Sir John Strachey's speeches. The rest of the circular amounts to little beyond an admission that the proceeds of taxes, contributed by special classes for specific objects, have not been so applied, but have been used towards the reduction of deficits, largely resulting from the pursuit of lines of policy obnoxious to none more than to many amongst the very class which pays the license-tax.

We remain,
Dear Sirs,
Yours faithfully,
GEORGE YULE,
*President.*
A. B. INGLIS,
*Vice-President.*
W. BLEECK.
R. EWING.
T. F. HAMILTON.
G. H. MORRISON.
J. W. O'KEEFE.

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## LICENSE TAX.

### CIRCULAR ORDERS BY BOARD OF REVENUE.

The correspondence which follows explains itself. The Committee having heard, on what they believed to be good authority, that some circular orders of an objectionable character had been addressed by the Board of Revenue to Executive Officers regarding the collection of the License Tax, thought it well to address Government on the subject. The Committee accepted the assurance given them in reply that they had been misinformed.

*From Chamber to Board of Revenue.*

*Calcutta, 4th June* 1879.

I am instructed by the Committee of the Chamber of Commerce to request the Board will favor them with copies of all Circular Orders issued by Government up to the present date regarding the collection of the License Tax.

*From Board of Revenue to Chamber.*

*Dated, 12th June* 1879.

With reference to your latter, dated 4th instant, I am directed to forward for the information of the Committee of the Bengal Chamber of Commerce, copies of rules sanctioned by Government under Section 39 of Act I

(B. C.) of 1878 for the town of Calcutta and for District other than Calcutta, and to state that revised rules will probably be issued shortly.

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*From Chamber to Board of Revenue.*

*Calcutta, 17th June* 1879.

I am directed to acknowledge the receipt of your letter No. 785 of the 13th instant, and to thank you for the copies of rules for the administration of the License Act which accompanied it.

But I am instructed to inform you that the papers which you have been good enough to place at the Chamber's disposal are not what the Committee directed me to ask for: and a reference to my letter of 4th instant will show that the application was for *all Circular Orders* issued by Government up to the present date.

Will you therefore oblige by furnishing the Committee with copies of those documents.

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*From Board of Revenue to Chamber.*

*Dated, 7th July* 1879.

I am directed to acknowledge the receipt of your letter of the 17th instant, and, in reply, to state that the copy of the rules for administration of the License Tax was sent to the Chamber of Commerce advisedly, as they contain the substance of all the general orders passed by Government on the subject. I am to add that no circular orders have been issued by Government in connection with

the administration of the Tax, and Mr. Mangles does not consider himself at liberty to supply copies of the correspondence which has passed between Government and the Board without the special orders of the Lieutenant-Governor.

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*From Chamber to Board of Revenue.*

*Calcutta, 18th July 1879.*

I am directed by the Committee of the Chamber of Commerce to acknowledge the receipt of your letter No. 880 of the 7th instant, and to express their regret that they have not been successful in explaining with sufficient clearness the kind of document they ask for. It is not the correspondence between the Government and the Board that they solicit, but the documents known by the name of "Circular Orders," which the Board has issued in connection with the License Tax to the Collectors of Districts, and which are distributed to the subordinates of the Collector for their guidance in the collection of the Tax.

I am instructed to state that information has reached the Committee that one of these Circular orders, for example, strongly urged the Collectors to get in the full amount of the assessment, and that appeals and objections could be heard afterwards; and that another required the Collectors to get in the assessment with the utmost speed by tax or otherwise. Several orders of similar character have been issued. The Committee are desirous of ascertaining how far the information that has been communicated to them is correct, and they wish me to express the hope, that with the examples given of what

they mean by "Circular order" you will be able to understand the kind of document that is desired.

If the Board still fails to comprehend the wishes of the Committee, I am instructed to say that the Committee believe they can obtain copies of the Circular orders in question at the offices of the Municipality in Calcutta or at that of the Collector of the 24-Pergunnahs, provided the Board will authorise the Chairman of the Municipality or the Collector of the 24-Pergunnahs to furnish the same on the Committee's application.

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*From Board of Revenue to Chamber.*

*Dated, 25th July* 1879.

I am directed to acknowledge the receipt of your letter of the 18th instant in which, in continuation of previous correspondence, you ask that the Committee of the Chamber of Commerce may be supplied with copies of the Circular orders issued by the Board in connection with the License Tax, and you state the substance of some orders which the Committee understand have been issued. You at the same time express the regret of the Committee that they have not been hitherto successful in explaining, with sufficient clearness, the kind of document they ask for.

2. In reply, I am directed to forward a complete set of the Circular orders issued by the Board on this subject, and to say that had these been asked for in the first instance they would have been at once supplied. But I am to point out that in both your previous letters you asked for copies of the "Circular orders issued by

Government," and that it was extremely difficult for the Board to know that what you really wished to procure was an entirely different description of document.

As the Board are not aware of the existence of any orders corresponding to the examples given by the Committee they are unable to make a selection. It is however stated, without qualification in your last letter, that several orders of this nature have been issued, and the Board have therefore thought it best to forward a complete set of their Circular orders, in order that the Committee may have an opportunity of satisfying themselves that the statement which you have been desired to make is incorrect.

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*From Government of Bengal, to Chamber.*

*Calcutta, 18th July 1879.*

With reference to your letter of the 16th June last, to the address of the Secretary to the Government of India in the Financial Department, I am directed to request that you will be good enough to favor this Government at your early convenience with 3 copies of the Report which forms an enclosure to your letter.

As regards the application of the Chamber for the Circular orders of the Board of Revenue on the administration of the License Tax Act, the Board have been directed to comply with their request, but the Lieutenant-Governor is not aware of any series of Circular orders which correspond with the remarks of the Chamber. It would be well therefore if the Chamber could give the Board some further clue to enable them to know the precise order or orders required.

## TRADE MARKS BILL.

The Committee's views on the subject of the Trade Marks Bill are fully stated in their letter to the Government of Bengal of 22nd August. Their main objection to the Bill was the proposal to make it apply to imported goods, whether these have been already registered under the English Act or not, as well as to goods manufactured in this country. If the Bill is persevered with, the Committee hope this objectionable feature in its provisions will be removed.

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*From Government of Bengal to Chamber.*

*Calcutta, 23rd June* 1879.

I am directed to forward herewith a copy of the Bill to provide for the registration of trade-marks, together with a copy of the statement of objects and reasons, and to request that you will be so good as to favor the Lieutenant-Governor with an expression of the opinion of the Chamber upon the provisions of the Bill.

2. Your reply should reach this office not later than the 10th August next.

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*From Chamber to Goverment of Bengal.*

*Calcutta, 22nd August* 1879.

I have the honor to acknowledge the receipt of your letter No. 2794 of 23rd June, and to express regret at the delay which has occurred in replying to it.

The Bill to provide for the registration of trade-marks is a most important one, and the Committee of the Chamber have been anxious to give it very full consideration. This they have done, and I am now directed to submit the conclusions at which they have arrived.

1. As appears from the statement of objects and reasons, this Bill has been introduced at the request of the Bombay Mill Owners' Association and the Bombay Chamber of Commerce, and is evidently intended to meet the requirements of the rapidly growing industry of cotton spinning and manufacturing in the sister presidency. On reference to the Bombay Chamber of Commerce, the Committee find that, in asking for such protection as this Bill provides, it was originally contemplated to apply *only* to native manufactures in India and *not* to imported goods manufactured in Europe.

With such a limitation in its scope, I am instructed to say that the principle of the present Bill has the approval of the Committee, although they can foresee that, with the machinery available in this country, it will be a matter of extreme difficulty in carrying out the details.

2. It does not, however, quite clearly appear that the provisions of the Bill are to extend *only* to native manufactures. Clause 4 seems to convey that all marks, whether on foreign-made goods, or whether registered at home or not, ought to be registered in this country. If the Bill is so meant to apply, I am instructed by the Committee to enter their earnest protest against the passing of such a measure. In their judgment importers are well enough protected already, and they can see no call whatever for any further interference on their behalf. No

desire for such protection has been expressed to the Committee; on the contrary, the consensus of opinion seems to view the application of registration to foreign trade-marks as pregnant with nothing but heavy expense, endless disputes, and constant litigation. To one not in the trade it is almost impossible to explain the difficulties which would arise, and the hardship which would follow the compulsory registration of all trade-marks whatsoever. There are many thousands of tickets, numbers, devices, headings, &c., already in use, many of which have been registered in England after considerable cost; and the Committee submit that it is quite unnecessary that such marks as hold a certificate of registration under the English Act should have to undergo a similar process in this country. All they would suggest, under the circumstances, is that registration should in such cases be voluntary, and where accompanied by certified copies of certificates of registration in England should be passed by the registrar here at quite nominal fee.

I am also to point out that, in the opinion of the Committee, it would be found practically impossible to carry out the provisions of this Bill if applied to English trade-marks. The English Act itself could not be carried out under the same machinery which is now proposed for this country, and had to be amended, whereby a Committee of experts was formed to assist the registrar in his duties. Even, then, under section 2 (c) of the present Bill, which causes "trade-marks" to include "any special and distinctive letters, words, or numerals, or combination of such" it was found that, among the thousands of possible combinations submitted, it was impossible to grant registration entitling any one person to the exclusive use

of one such combination, and the Committee of experts had to decide that all such combinations should be thrown out as not entitled to registration. Again, under section 5, there is no definition given of the "particular goods or classes of goods" to which trade-marks belong, whereas the English Act divides them into two distinct classes: 1st cotton yarns—grey, colored, and bleached; 2nd cotton goods—woven, grey, colored, dyed or bleached. Even under this simple division there were some 40,000 applications for registration, and to any one at all acquainted with the similarity of trade-marks, this fact indicates what an amount of labour, of a most delicate nature, the English Committee of experts had to perform. In the opinion of the Committee of the Chamber, there is no such experience and technical knowledge to be found in this country to accomplish such a task as the English experts did. And the absence of such a Committee of experts is one of the many strong reasons to be urged against the registration of foreign trade-marks in this country. No individual registrar could be found sufficiently versed in the subject to make his isolated decision satisfactory, and the result would be constant petitioning and appealing, tedious delay, and lengthened and costly litigation. The Committee view such a prospect with unqualified disfavor, as being in the interest of no one engaged in trade, and full of possible injury alike to individuals and business. Besides, under clause 4, it is quite possible extreme hardship may arise, as it seems to override the English Act, and leaves room for unscrupulus persons to register marks belonging to well-known English Manufacturers who have not happened to register here. Take an instance:—*A* is a

large and first-class producer in Manchester, with several registered trade-marks known all over the world; he has not shipped to India for some time, and knows nothing of this Act, and consequently has not sent out his various trade-marks to be passed by the registrar here. *B* is a dishonest trader, who copies the marks of *A*, and has them registered in his own name in this country; *A's* goods cannot then be brought by any one for shipment to India, and *B* gets a monopoly of a trade he has no right to, as he can come forward and interdict the sale of *A's* goods and claim damages for the infringement of his registered trade-mark. *A*, although his trade-marks are well-known all over the world, has no claim against *B*. This is a possible case, and one which it persumably was never intended to encourage; and yet by making the registration of English trade-marks compulsory many such instances would doubtless arise.

In conclusion, I am to say, 1*st*, that, in the opinion of the Committee, this Bill should be confined entirely to native manufactures, subject to such modifications as the experience of the working of the English Act may hereafter suggest: and 2*nd*, that for the reasons given above, and many others which practical men in the trade can understand, a clause should be inserted in the Bill distinctly stating that all trade-marks already registered under the English Act shall be admitted free and require no further registration; or that the registration of already registered English trade-marks shall be voluntary, and may be obtained on production of certificate of registration in England and certified copies thereof on payment of a nominal fee.

*From Chamber to Bombay Chamber.*

*Calcutta, 21st July* 1879.

The Committee of this Chamber have been called upon by the Government of Bengal to express their opinion of the provisions of a Bill for the registration of trade-marks; and having been informed by the Legislative Department of the Government of India that the Bill is intended to apply to trade-marks of goods wherever manufactured, they desire me to request you will be so good as to say whether it was contemplated by your Chamber and the Mill-owners' Association of Bombay—at whose instance it would appear by the statement of objects and reasons that the Bill was prepared—that the proposed measure should cover trade-marks of goods other than the manufactures of this country.

The Committee apprehend that if all trade-marks of British or foreign manufactures already registered in England are required to be brought within the operation of an Indian Act, the inconveniences to the commercial public will be of the greatest magnitude, and they are not prepared to assent to any measure that will create them.

An early reply will oblige.

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*From Bombay Chamber.*

*Bombay, 12th August* 1879.

I beg to acknowledge the receipt of your letter of the 21st ultimo, which has been submitted to the Special Committee appointed by this Chamber to consider the provisions of the Bill for the registration of trade-marks.

In reply, I am directed to say that the Special Committee, after full discussion, concluded that it was desirable that the Bill should apply to all trade-marks in the broadest sense of the term, and further, that trade-marks on the English Register should, when required to be placed on the Indian Register, be registered for a small nominal fee.

With regard to your enquiry whether it was contemplated by this Chamber and the Mill-owners' Association that the proposed measure should cover trade-marks of goods other than the manufactures of this country, I am desired to say that the protection of Indian manufactures was, doubtless, the primary object which those bodies had in view when they suggested the measure; but there does not appear to the Committee to be any good reason why British or foreign manufacturers should be prohibited from registering their trade-marks on the Indian Register, if they should desire to do so.

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*From Chamber to Govt. of India.*

*Calcutta, 4th June* 1879.

The Committee of the Chamber of Commerce direct me to request the favor of your informing them whether the Bill to provide for the registration of trade-marks, recently introduced into the Legislative Council, has reference exclusively to goods manufactured in British India, or whether it is intended to be applicable not only to such goods, but also to embrace the trade-marks of goods manufactured out of British India, and the registration of which may be applied for.

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*From Govt. of India to Chamber.*

*Dated Simla, the 17th June* 1870.

In reply to your letter of the 4th instant, I am directed to inform you that the Bill to provide for the registration of trade-marks is intended to apply to trade-marks of goods wherever manufactured.

## PROPOSED ALTERATION IN BILLS OF LADING FOR SAILING VESSELS.

The subjoined correspondence will explain the steps taken by the Committee to protest against the alterations proposed by shipowners in Bills of Lading for sailing vessels engaged in the export trade of Calcutta. The form of Bill of Lading hitherto in use at this port has been found perfectly suitable for all ordinary cases, and no sufficient reason has been adduced for making any change in it; and the Committee hope that the shipowners, on seeing the very strong objections entertained by nearly the whole of the Calcutta export houses to the changes proposed, will not attempt to press them.

*From* CHAMBER OF COMMERCE *to* JOHN CORRY, ESQ., *Chairman of Conference, General Shipowners' Society, London: Calcutta,* 19*th August* 1879.

THE Committee of this Chamber having been informed that it is contemplated to introduce material changes in

the conditions ordinarily stipulated in Bills of Lading for cargo per sailing vessels from Calcutta to Ports in the United Kingdom, they have drawn the attention of members of the Chamber to the unusual character of the clauses which it is understood have been adopted at a meeting in London of merchants and shipowners engaged in the Calcutta trade.

The Committe have applied for early replies to their reference on this subject, and I am directed by them to request you will be so good as to stay further proceedings until the Committee are prepared to submit for your consideration any objections that may be raised by those who are interested in the important question under notice.

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*From* CHAMBER *to* JOHN CORRY, ESQ., *Chairman of Conference, General Shipowners' Society, London : Calcutta, 2nd September* 1879.

In handing you duplicate of my letter of 19th ultimo, I have now, by direction of the Committee of the Chamber of Commerce, to request you will receive the accompanying protest, in original, against the clauses which it is proposed by your Society to introduce into Bills of Lading for cargo per sailing vessels engaged in the export trade of Calcutta.

Printed copies of the papers referred to in the protest are also forwarded herewith; and I annex the following copy of a telegraph message despatched to-day.

*COPY OF TELEGRAM.*

*From* CHAMBER *to* CORRY, *Chairman, General Shipowners' Society London.*

Protest against new form Bill Lading signed 86 firms posted to-day ; stay proceedings.

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*From Bengal Chamber of Commerce, to the Secretary, Chamber of Commerce Liverpool,—dated Calcutta, 3rd September* 1879.

THE Committee of the Bengal Chamber of Commerce had their attention directed some time ago to the unusual character of the clauses inserted in Bills of Lading issued by steam-ship companies, and the matter has again been brought prominently to their notice by the recent attempt to introduce for sailing ships a new form of Bill of Lading, which differs materially from the form now in use and of very old standing; and you will observe, from the accompanying papers, that a large number of merchants, who are chiefly engaged in exporting produce from Calcutta, have united in a common protest against the intended innovation.

The Committee of the Chamber direct me to draw your attention to this very important matter, because the clauses embodied in steam-ship Bills of Lading and sought to be introduced in Bills of Lading for sailing vessels, threaten to impair the negotiable nature and intrinsic value of such documents as securities,—securities upon which, by mere endorsement, an immense amount of property, representing vast sums of money, is daily changing hands.

Complaints against the working of these clauses are becoming so frequent that the Committee consider it their duty, in the first instance, to arouse more general attention to this question, and to prepare the way by an interchange of opinions for the just and impartial protection of the rights and interests of shippers and shipowners alike. To that end they consider it expedient

that a representative Committee of the Chamber of Commerce of Great Britain should be convened with the view to revise all existing forms of Bills of Lading for cargoes shipped both by steamers and sailing vessels; that, to aid them in this important investigation, experienced Admiralty and Commercial Lawyers should be consulted; and that the Banking interest should also be represented in such Committee, seeing that the negotiability of the proposed Bills of Lading may be seriously affected by the alterations referred to.

Trusting that your Chamber may consider it proper to advocate the movement submitted for your consideration, and to take such measures as may, in your judgment, be most suitable to attain the object in view.

*Copies of the above letter were sent to all the Chambers of Commerce in India, China, Australia, and the United Kingdom.*

## *Circular from Bengal Chamber of Commerce to Members.*

*Calcutta*, 15*th August* 1879.

The Committee having been informed that it is contemplated to introduce material changes in the conditions ordinarily stipulated in Bills of Lading for cargo per sailing ships from Calcutta to ports in the United Kingdom, they direct me to draw your attention to the unusual character of the clauses inserted in the form herewith submitted for your consideration, which the Committee understand, has been adopted at a meeting in London of merchants and shipowners engaged in the Calcutta trade.

The Committee will be glad to be favored with your views on the subject to enable them to communicate, if necessary, with the Chairman of the Conference in London.

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To H. W. I. Wood, Esq., *Secretary, Bengal Chamber of Commerce,—Calcutta, 30th August* 1879.

BILLS OF LADING.

With reference to your Circular letter of the 15th instand, we, the undersigned, have been requested by the preliminary Committee composed of the members of the firms whose names are attached to the accompaning papers, to hand you herewith a protest against the proposed innovation in Bills of Lading, signed by 86 firms of merchants, shippers, exporters and bankers ; and as the great majority of these firms are also members of the Chamber of Commerce, they think it right and proper that this protest should be forwarded through the Chamber of Commerce to Mr. Corry, Secretary to the London Shipowners' Society, who *pro-tem* acts also as President of a London Committee that has constituted itself for the consideration of this matter.

As far as we are aware no Calcutta firm interested in this matter as exporter and shipper has given its consent to such an adoption, and we think the unanimous protest of so many firms, deeply interested in the proposed alteration, will induce the Committee of the Chamber to draw more general attention to this matter in communicating with the various Chambers of Commerce in the East, as well as with those of Great Britain and Ireland, with the view of having the various forms of Bills of

Lading, both by steamer and sailing ships, re-considered by a General Committee of merchants, bankers, shipowners, and with the legal assistance of an Admiralty and Commercial Lawyer.

In the meantime we shall thank you to obtain the sanction of your Committee to send home a telegram to Mr. Corry advising the despatch of this protest, and requesting him to stay further action until all the papers can be laid before the Committee now sitting in London.

Trusting that your Committee will take such prompt and vigorous action as the importance of the subject demands.

We have the honor to remain,
Dear Sir,
Your obedient Servants,

H. REINHOLD,
T. W. BERNERS,
ROBT. PHIL. HEILGERS.

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We, the undersigned merchants, agents, shippers, and exporters of goods from this Port hereby protest against the innovations proposed by shipowners to be made in the forms of Bills of Lading now in use for sailing ships engaged in our export trade.

The grounds of our objections to the proposed form of Bill of Lading are fully set forth in the accompanying papers; and while we are willing to meet the shipowners in a spirit of perfect fairness, we feel that the one-sided operation of most of the clauses to which we object is so obvious that we cannot, in that spirit, be called upon to assent to them.

Unless, therefore, the proposed innovations are modified, as suggested in the accompanying papers, we shall decline to accept any altered form of Bill of Lading.

We have charged our Home friends to express our disapproval of the action taken by the Shipowners' Society of which we complain.

We are, Sir,
Yours obediently,

REINHOLD & Co.
EDE & HOBSON.
KELLY & Co.
TAMVACO & Co.
ERNSTHAUSEN & OESTERLY.
ANDERSON, WRIGHT & Co.
ASHBURNER & Co.
D. J. EZRA.
COX & Co.
MCKEWAN & Co.
ELIAS S. GUBBOY & Co.
F. W. HEILGERS & Co.
KERR, TARRUCK & Co.
GISBORNE & Co.
GRAHAM & Co.
DAVID SASSOON & Co.
SIMSON, GRIFFITHS & Co.
CARRITT & Co.
J. D. MAXWELL.
JOHN DICKINSON & Co.
EWING & Co.
ANDREW, HOYES & Co.
C. C. BANCROFT & Co.
BALMER, LAWRIE & Co.
EDMANDS BROS. & Co.
KER, DODS & Co.
WILLIAMSON BROS. & Co.
BARLOW & Co.
OCTAVIUS STEEL & Co.
SHAW, FINLAYSON & Co.
WILLIAMSON, MAGOR & Co.
ANDREW, YULE & Co.
WISEMAN, MITCHELL, REID & Co.
KETTLEWELL, BULLEN & Co.
WHITNEY BROTHERS & Co.
W. H. FITZE & Co.
B. SMYTH & Co.
COHN BROS. & FUCHS.
GRINDLAY & Co.
FREDERICK T. BROOKS & Co.
A. R. MCINTOSH & Co.
S. H. ROBINSON.
COMPTOIR D'ESCOMPTE DE PARIS.
LYALL, RENNIE & Co.

MACKENZIE, LYALL & Co.
KING, HAMILTON & Co.
A. LEROY & Co.
WM. MORAN & Co.
J. MACKILLICAN & Co.
MACKNIGHT, ANDERSON & Co.
F. HARLEY & Co.
GOT, BRÜ & Co.
FORNARO BROS.
G. APPEL & Co.
SCHRODER, SMIDT & Co.
ROBERT & CHARRIOL.
OLDEMEYER & HADENFELDT.
SCALLAN & Co.
ABENDROTH & Co.
GRAF & BANZIGER.
BEGG, DUNLOP & Co.
RENTIERS & Co.
R. MACALLISTER & Co.
LLOYD & Co.
SCHOENE, KILBURN & Co.
PEARCE & BAIST.
JAMES DUFFUS.

HUBER & Co.
RUSHTON BROS.
CARLISLES, NEPHEWS & Co.
ULLMANN, HIRSCHHORN & Co.
WM. HAWORTH, & Co.
PETROCOCHINO BROS.
RALLI & MAVROJANI.
AGELASTO & Co.
PAUL, TAMBACI & Co.
C. H. OGBOURNE.
ACERBONI & Co.
G. M. STRUTHERS & Co.
ORIENTAL BANK CORPORATION.
J. THOMAS & Co.
HOWE, GOODWIN & COLE.
CHARTERED BANK OF INDIA, AUSTRALIA & CHINA.
DELHI & LONDON BANK, LD.
NATIONAL BANK OF INDIA, LD.
STAUNTON & Co.

To

JOHN CORRY, ESQ.,

*Chairman.*

GENERAL SHIPOWNERS' SOCIETY,

12, *St. Michael's Alley, Cornhill,*

*London, E. C.*

## PROPOSED NEW BILL OF LADING FOR SAILING SHIPS IN THE EASTERN TRADE, HOMEWARDS.

*Calcutta, 26th August* 1879.

We beg to call your attention to a Circular letter, dated London, the 23rd of June (a copy of which is appended hereto) from John Corry, Esq., Chairman of the General Shipowners' Society, London, conveying the intention of the Association to adopt a new form of Bill of Lading for sailing ships in the Eastern Trade Homewards, and further intimating that the same has met with the approval of the principal merchants and shipowners engaged in the Calcutta trade.

The undermentioned firms having specially interested themselves in discussing the proposed innovation are unanimously of opinion that the document in its altered form would prove unjust to shippers by releasing shipowners from all and every legitimate responsibility.

A preliminary protest was, in consequence, drawn up, of which a copy is also annexed for your information, and was mailed to Mr. Corry on the 29th ultimo.

Subsequently, the Bill of Lading in question was submitted to Messrs. Sanderson & Co., and their opinion *in extenso* herewith, we venture to think requires no further comment.

We need hardly point out the grave nature of the issues involved in this matter, because the negotiability, if not the actual value, of the Bill of Lading as a security must become seriously affected if the proposed alterations

are adopted; to prevent which we trust both the banking and commercial communities will unanimously support the protest we intend to circulate for signatures.

Remaining, Gentlemen,
Your obedient Servants,

ANDERSON WRIGHT & Co.
ASHBURNER & Co.
EDE & HOBSON.
ERNSTHAUSEN & OESTERLEY.
F. W. HEILGERS & Co.
KELLY & Co.
REINHOLD & Co.
TAMVACO & Co.

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*To* JOHN CORRY, ESQ., *General Shipowners' Society*, 12, *St. Michael's Alley Cornhill, London.—Calcutta*, 28*th July* 1879.

WE, the undersigned firms, herewith collectively acknowlege the receipt of your Circular letter, dated London, the 23rd of June, informing us of the intention of the General Shipowners' Society, to adopt a new Bill of Lading for sailing ships in the Eastern Trade Homewards, a copy of which you enclosed in your lettter, with the intimation that it had been approved by the principal merchant and shipowners engaged in the Calcutta trade. At present we have only had time to hold one meeting, at which the unanimous views expressed were entirely opposed to the form of document you submitted for our opinion, and we shall esteem it a favour, under these circumstances, if you will postpone the intended sitting of the Conference

in September next until such time as we may be able thoroughly to discuss the terms of this intended innovation, and place before you the views of the commercial community in general on the subject, detailing the objections that already present themselves to the signatories, and such amendments as may appear to us equitable in the interests of both shipowners and merchants.

We remain, Dear Sir,
Yours obediently,

ANDERSON, WRIGHT & Co.
ASHBURNER & Co.
EDE & HOBSON.
ERNSTHAUSEN & OESTERLEY.
F. W. HEILGERS & Co.
KELLY & Co.
REINHOLD & Co.
TAMVACO & Co.

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*Opinion of Messrs.* SANDERSON & Co., *Government Solicitors, with reference to the New Form of Bill of Lading sought to be introducedby Owners of Sailing Ships.*

Having had laid before us the new form of Bill of Lading which it is proposed by the owners of sailing ships to insist on shippers of goods from this port accepting in respect of their shipments, we have very carefully analysed and considered its provisions.

We have also had the advantage of a consultation with a Committee of merchants interested in the subject.

The alterations sought to be made by the exceptions and conditions which it is proposed to insert in the new form of Bill of Lading are of material and vital importance to the interests of shippers, and, before proceeding to consider them in detail, their general scope and effect may be shortly pointed out to be as follows, *viz*:—

The old form of Bills of Lading exempted the ship from liability in respect *only of distinctly insurable risks*, the occurring of which was easy of proof, and for such matters as the guaranteeing of the nature of the weight and contents of closed packages.

The new form of Bill of Lading, however, would practically exempt the ship from claims of any sort, for although it is not sought by the new exceptions and conditions to exempt the ship from liability arising from act of negligence of the master, crews or pilot of ships (except where such negligence occurs in the management and navigation of the ship), and therefore it would be open to a shipper under the new form of Bill of Lading or his consignee to claim and recover for damages where it could be proved that such damage had been caused by negligent stowage of goods or other similar neglect; yet it is obvious from the nature of things that the difficulty of proving negligence in the vast majority of cases would be an insurmountable obstacle to success in any proceeding under the Bill of Lading framed in accordance with the new form.

It is not alleged, so far as we can see, that the old form of Bill of Lading has not worked perfectly well, or that shipowners, by its terms, have been subjected to undue risks; but it is sought so to frame the contract between the

shipowners and shipper as to virtually exclude all responsibility from attaching to the former, leaving the latter to bear, in addition to the ordinary risks of the voyage against which he may insure, if he pleases, a number of other risks against which it will be impossible to obtain indemnity under any ordinary contract of insurance, and to guard against the happening of which the shipper is powerless.

In this state of matters it behoves those interested in the shipment of cargo from this port—unless they are prepared to deliver themselves over to the shipowners bound hand and foot—to make a stand against the unreasonable contract which it is sought to impose on them; and, while conceding such exceptions as are necessary to relieve the shipowners from risks which they cannot be fairly asked to undertake, to insist on not relieving the shipowners from the responsibility of taking proper and reasonable care of the valuable property entrusted to them.

With these preliminary observations, we purpose analysing the new form of Bill of Lading, and pointing out briefly in detail the clauses which, in our opinion, are objectionable and our reasons for this opinion.

For convenience we have divided the new clauses in the Bill of Lading and numbered them chronologically, and opposite to each we have made such observations as we have to offer regarding such special clause.

1. This stipulation is, we submit, wholly out of place in a Bill of Lading, prior to the signing of which the goods mentioned in it must necessarily have been shipped; quality marks or numbers are of great importance

1. (If quality marks are used they are to be of the same size as the leading marks and contiguous thereto.)

to shippers of jute and cotton, and it is of great consequence, therefore, that there should be no dispute about them. It is, we understand, the practice of shippers of goods bearing quality marks and numbers at this port, to insert in the boat-note sent with the goods a clause requiring the receiving officer to sign receipts specifying the quality marks and numbers of the goods. It is easy enough for the ship's officers, if they have any reasonable objection to the size, position or in distinctness of the quality marks or numbers, to take objection when the goods are sent alongside, and, if such an objection is well founded, to refuse to sign a receipt for quality marks or numbers, in which case the shipper would have it in his power, by calling a survey, to show that the objection was unreasonable, if it was so in fact, or to accept receipt in a modified form, or to altogether withdraw the goods if the objection was well founded; but it seems to us highly unreasonable for the master of a ship, after his officers have given a receipt for goods bearing quality mark or numbers, specifying such marks or numbers, to insert in his Bill of Lading a clause which would leave a loop-hole for the contention that the quality marks or numbers were, for some reason or other, such as he is entitled to disregard.

2. From the ship's tackles where the ship's responsibility shall cease.

2. It may not be an unreasonable stipulation that the responsibility of the ship shall cease when the goods leave the ship's tackles; but it must be borne in mind that the goods have to be delivered to the consignee, who should therefore have a reasonable opportunity for taking delivery of them before they are put out

of the ship; but no stipulation of this sort is contained in the Bill of Lading now before us, and it would be more reasonable, and avoid confusion, if this clause were expunged and there were substituted for it the words "as customary."

3. Weight, measure, quality, and contents unknown.

3. This is, with the exception of the word measure, an old clause, and it is a reasonable one to which no objection can fairly be raised.

4. The act of God, Queen's enemies, pirates, robbers by land or sea, restraint of princes, rulers or people.

4. This is also an old, well-known, and usual clause, and unobjectionable.

5. Loss or damage from explosion, heat, or fire on board, in hulk or craft, or on shore.

5. With the exception of the word *heat*, this clause is not objectionable. As regards the word heat, we are of opinion that its insertion in the exceptions would, as it seems to us, be apt to make owners careless in the ventilation of the holds of their vessels. It would be always in the power of the master of the ship, in the event of the ventilation of his vessel's hold being interfered with by stress of weather to show this, and any consequence of heat, the necessary result of the interruption of ventilation in that way, would be within the general exception against perils of the seas and navigation, but there should not, under ordinary circumstances, if the cargo is well stowed and the hold properly ventilated, be sufficient heat to cause damage to cargo.

6. Jettison.

6. Jettisoning of cargo, where proper, is a peril of the sea, and comes within the general exception; where im-

proper, the shipowners ought certainly not to be protected against it. The selection of their officers rests with them, and the shippers have no control over their appointment, and should not be made to bear the consequences of their inefficiency or misconduct.

7. Barratry, any act, neglect or default whatsoever of pilot, master, or crew in the management or navigation of the ship.

7. The objections mentioned under No. 6 apply with increased force to this clause and need not be recapitulated: as to Barratry, the exception as to this should on no account be allowed to stand.

8. All, and every, the dangers and accidents of the seas and rivers, and of navigation, of whatever nature or kind, are excepted.

8. This is a fair enough general clause, and refers to risks which would be covered by an ordinary Marine Policy.

9. The ship is not liable for insufficient packing or reasonable wear-and-tear of packages (cutting excepted.)

9. According to the practice obtaining in shipping cargo in this port, as already pointed out, the boat-notes sent alongside with the cargo, contain a clause by which the officers of the ship are requested not to receive any packages which are not in good order; and if, as they are bound to do, they act in accordance with such clause, it is obvious that the owner cannot reasonably stipulate against liability for the insufficiency of a package; he is bound not to receive an insufficient package. The insertion of such a clause opens a door to great injury to a shipper of goods at the hands of an unprincipled master, as, supposing that the Bill of Lading contains such a clause as the one under consideration, nothing would be simpler than for a master,

in want of broken stowage, to start the lashings of a number of jute bales for the purpose of filling up corners. It would be perfectly easy to do this and attribute the bursting of the bales to insufficient packing, and it would be absolutely impossible for the shipper to protect himself in such a case. A clause exempting the shipowner from liability for reasonable wear-and-tear of packages could not be objected to, provided the following words were added—"provided such damage is not occasioned by cutting or chafage."

10. For inaccuracies, obliteration, or absence of marks, or countermarks, numbers, address, or description of goods shipped.

10. This clause is an unreasonable one and should not be allowed. The clause as to inaccuracies, absence of marks, &c., would be inconsistent with the written descriptions of the goods specifying the marks in the margin of the Bill of Lading, and having regard to the terms of the clause in the boat-notes used by shippers as to marks such stipulations are inadmissible. If the goods are not properly marked as indicated in the boat-note, they should not be received and signed for, but if they are so received and signed for, it would, as it seems to us, be highly unreasonable to permit the shipowner to insert in his Bill of Lading an exception wholly repugnant to the terms of the mate's receipts, and which, if allowed, would only give rise to disputes. With regard to the exception as to obliteration of marks this would (except in case of damage which would come within the general exceptions of the Bill of Lading) only arise if reasonable care were not used, and such reasonable care a shipper is entitled to require at the hands of a shipowner.

11. Of the grounds of damage mentioned in this clause, *sweat* and *rust* appear to us to be unusual and, in our opinion, inadmissible. Sweat, we understand, is intended to provide against the consequences which would ensue from an unduly heated and ill-ventilated hold: with this we have already dealt in our remarks on clause 5, and, for the reasons there given, we cannot advise this exception being conceded. As regards rust, we think that as the only means by which rust could ordinarily be caused to goods in the hold of a ship, (otherwise than by water damage) is by omitting to apply red lead to the iron knees of the ship, the exception should not be allowed, as it would be holding out a premium to shipowners to omit to take proper precautions to preserve the cargo entrusted to them.

11. Leakage, breakage, sweat, rust, decay.

12. This is, so far as we can see, wholly inapplicable to sailing ships carrying cargo from this port. We are not aware, nor have we been able to gather, that in respect of such goods as are shipped from here any penalty is levied in respect of incorrect marking or defective description of goods. Goods shipped from Calcutta are, generally speaking, well-defined and known articles of produce and easy of description; any incorrectness in the description of which could be easily detected by the ship's officers, except perhaps in the case of deliberate fraud. And supposing such a case to occur, the shipowners would be amply protected by their right of

12. Fines and expenses, and losses by detention of ship or cargo, caused by incorrect marking, or by incomplete or incorrect description of contents or weights, or any other particulars required by the authorities at the Port of discharge, upon either the packages or Bill of Lading, shall be borne by the owners of the goods.

action, which the law gives them, to recover damages for any fraud which might be practised on them.; as to incorrect marking, as we have already pointed out, it is the duty of the officers of a ship to see that the marks on the goods are in accordance with the boat-note, and if any deception is practised,—such as the mark on one class of goods being put on goods of another class,—the shipowner has his remedy without such a clause as that under consideration.

13. The owners of this ship will not be accountable for gold, silver, bullion and specie, jewellery, precious stones, silk goods, quinine, or precious metals, or beyond the amount of one hundred pounds for any one package, or relatively for any portion thereof unless shipment be made on a special shipping order containing a declaration of value, and the Bills of Lading are signed in accordance therewith.

13. This is a clause which is not likely to effect shippers from this port very seriously, it not being the practice to ship goods of the description enumerated by sailing ships; nor is it often, we take it, that merchants ship from Calcutta one package valued more than £100; this clause may therefore be allowed to stand.

14. If medicinal fluids, or any other goods of an inflammable, damaging, or dangerous nature are shipped without being previously declared and arranged for, they are liable, upon discovery, to be thrown over-board, and the loss will fall upon the shippers of such fluid or goods, as well as any damage caused to the ship or the cargo on board of her.

14. This clause is not an unreasonable one, but it would more properly find a place in the contract of affreightment than in a Bill of Lading.

15. This clause is quite unusual, and might put it in

15. In case of the blockade or interdict of the port of discharge, or if the entering of, or discharging in, the port shall be deemed by the master unsafe by reason of war or disturbance, the master may land the goods at the nearest safe port at the expense and risk of the owner of the goods, and the ship's responsibility shall cease when the goods are so discharged into proper safe keeping, the master giving immediate notice of the same to the consignees of the goods so far as they can be ascertained.

the power of a timid shipmaster to put the owners of goods to heavy expense without real cause. It would probably not be unreasonable for the shipowners to stipulate for the power of discharging goods in this way, if care were taken that the policy taken out on the goods would suffice to cover it; but it would be unreasonable to stipulate that the landing stipulated for in this clause should be at the risk and expense of the owner of the goods; the clause may, we think, stand, the following portion of it being omitted, *viz* :—

"at the expense and risk of the owners of the goods, and the ship's responsibility shall cease when the goods are so discharged into proper and safe keeping."

16. The master or agent shall have a lien on the goods for payments made, unpaid freights, or liabilities incurred in respect of any charges stipulated herein to be borne by the owners of the goods.

16. So far as the lien is in respect of unpaid freight it is unobjectionable, or merely an express stipulation for that which is a legal incident to the contract of affreightment; as to the other matters they are, having regard to the fact that we have advised the clauses under which only the liabilities in question could arise being objected to, inapplicable. Another very serious objection to this clause is, that it would probably affect the *negotiability* of Bills of Lading containing it.

17. In the event of claim for short delivery, price to be the market price of the day at the port of discharge on the day of the ship reporting at the Custom House, less charges and brokerage.

17. This clause is a reasonable one and seems unobjectionable.

## TELEGRAPH SERVICE.

It is to be regretted that the Government of India did not see their way to communicate to the public the papers asked for by the Chamber in the subjoined correspondence.

The revised rules adopted last June by the London International Telegraph Conference will, if enforced, have the effect of rendering useless the majority of existing codes, and throw upon the mercantile community the burden of constructing new ones at a time when merchants have only just got accustomed to those already in use. These repeated alterations are most vexatious, and cause immense annoyance and expense to the very parties who are the main support of the telegraph lines, and whose convenience ought to be consulted rather than ignored as is too much the case at present. No reasons are published for the changes which have been notified, and unless some assurance is given that no further alteration in the rules will be attempted, the Committee

would hail with satisfaction any movement for the establishment of an independent mercantile line.

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*From Chamber to Government of India.*

*Calcutta, 26th June* 1879.

In the memorandum of instructions for the officers appointed by the Government of India to represent the Indian Telegraph Department at the International Conference to be held in London this month, which you were good enough to forward with your letter No. 149 of the 5th ultimo, several annexures—A to F—are referred to, which it is presumed form the correspondence, alluded to in the 5th paragraph, to be forwarded in continuation of the instructions already acknowledged; and the Committee of the Chamber desire me to say that they will be obliged by the early transmission of the promised correspondence, as it will more fully detail the proposals of the Indian Administration which the Conference will have under consideration, and place the Chamber in possession of particulars which cannot fail to be of special interest to them and to the other associations who have been communicated with.

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*From Government of India to Chamber.*

*Simla, 12th July* 1879.

In reply to your letter, dated the 26th ultimo, requesting to be furnished with copies of the correspondence referred to in paragraph 5 of this office letter No. 149T of the 5th May last to your address, I am directed to inform

that that correspondence includes merely the letter from the Government of India quoted above and of that from the Chamber, dated the 26th March 1879 to which it was a reply, copies of which have been transmitted to the Delegates as promised.

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*From Chamber to Government of India.*

*Calcutta, 21st July* 1879.

I have the honor to acknowledge the receipt of your letter No. 274 of the 12th instant, and to express my regret that I did not explain with sufficient clearness the documents for which I was directed to apply.

The papers which the Committee are anxious to see are not the letters indicated by you as forming the correspondence transmitted to the Delegates at the International Telegraph Conference held in London, but the several annexures—A to F— inclusive, referred to in the memorandum of instructions to Major Mallock; and the Committee desire me to say that they will be obliged by your obtaining the permission of the Government of India to have copies of those several annexures placed at their disposal.

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*From Government of India to Chamber.*

*Simla, 9th August* 1879.

I am directed to acknowledge the receipt of your letter dated 21st July last, and in reply, to inform you that as the papers asked for are confidential His Excellency the Governor-General in Council regrets that the request of the Chamber cannot be complied with.

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## TELEGRAPH SERVICE.

REVISED RULES UNDER THE LONDON CONVENTION.

*From Government of India to Chamber.*

*Simla, 30th October* 1879.

I am directed to inform you that the Rules for Foreign Telegraph Messages, as revised under the terms of the International Telegraph Conference recently held in London, will be published for general information in the Gazette of India of the 1st November.

2. The Revised Rules will come into operation on the 1st of of April 1880, but they will not be rigidly enforced until the 1st July, in so far as they affect codes.

3. The Rules are now passing through the Press, and copies will be forwarded to you as soon as they are printed.

*From the Chamber to the Govt. of India,*

*Calcutta, 27th November* 1879.

The Committee of the Chamber of Commerce direct me to acknowledge the receipt of your letter No. 499 of the 30th ultimo, advising them that the revised rules for foreign telegraph messages would be published in the Gazette of India of the 1st instant, and that although the rules will come into operation on the 1st April 1880, they will not be rigidly enforced until the 1st July following, in so far as they affect codes.

The Committee being now in possession of the published rules, desire me to submit for the consideration of the

Government of India that the new regulations involve very material changes in those adopted by the St. Petersburgh Conference, now in force. The amendments that have been decided upon are open to the strongest objections that can be urged against disturbing a system with the working of which the mercantile community have become familiar, and against introducing alterations which virtually deprive them of the facilities by which their code and cipher messages have been hitherto transmitted, and throw upon them the burden of reconstructing laborious and expensive methods for the conduct of their telegraphic communications.

The most material alterations as far as extra-European correspondence is concerned appear to be, 1st—that 8 European languages only are permitted to be used in the wording of telegrams; 2nd—that cipher messages are reduced to three figures to count as one word; and 3rd—that proper names of persons and places in a code message, except in their natural sense, are interdicted.

1.—The restriction to words of 8 languages will deprive the commercial public of the employment of words of 12 other languages used in the territories of the States which were parties to the Convention of 1875, and hitherto permitted: it contracts the scope for selecting the large number of words essential to the formation of mercantile codes, and limits the choice within a proportionally smaller compass, with corresponding disadvantages.

2.—By the reduction of groups of figures from 5 to 3, merchants will be exposed to the utmost inconvenience because it practically limits them to the use of 1,000 groups of figures, and is besides equivalent to a further

increase of the tariff, inasmuch as, under existing rules, code groups of 5 figures when used as cipher pay 50 per cent. more than one word of ten letters—making 3·333 figures equal to one such word—whereas under the new rule 3 figures only will count for one word. But setting aside the matter of code messages in cipher, the proposed reduction in the number of figures will act very prejudicially in a large number of cases, where figures are used in clear language in telegraphing numbers of samples, cloths, cases, invoices, drafts, &c. These formerly could be transmitted at the tariff rate for a word of 10 letters, but will now be charged for as two words, whenever, as is generally the case, they consist of more than 3 figures.

3.—The last named alteration will preclude the use of names of persons, places, rivers, &c.; and the interdiction of the entire geographical nomenclature, which forms the basis of so many codes, will cause the framing of code-dictionaries under the new rules to be attended with the greatest difficulty. In the absence of any argument for the prohibition, the Committee of the Chamber fail to see what possible difference it can make to telegraph signallers to transmit well-known geographical expressions instead of words in various languages, to which they are, for the most part, strangers.

The extra-European correspondence will be materially affected by all these changes; and to the Committee of the Chamber it is inexplicable that the Government of India and the Home authorities consent to a proposal which can only harrass and inconvenience those who conduct the trade between England and the East, and who contribute probably more than three-fourths of the

revenue derived from foreign messages beyond Europe. While the new rules will work very hardly upon merchants generally, they will in no way lessen the labor of the Telegraph Department nor add to its income, for endeavours will no doubt be made by the former to circumscribe their messages within the narrowest limits, and the result will bring no advantage to the Telegraph Administration.

It is scarcely necessary to inquire for what purpose code words are used if not for the purpose of conveying, in a limited number of words, the maximum amount of information to be so conveyed: but as at present a telegraph line—more especially a cable—will only allow the transmission of a given number of words within a given time, the proper aim of telegraphy should have been directed long ago to increasing the working capacity of the lines to the fullest extent.

The Telegraph Administrations have hitherto failed to accomplish this, and the public have been driven to do the best they could for themselves by the construction of codes, differing more or less from each other, but virtually promoting the purpose of what, properly speaking, should have been the essential and primary object of Telegraph Conferences.

The Committee cannot but view with alarm the power which, they understand, the Convention have reserved to themselves of making further alterations in their rules before the next triennial meeting. After the harrassing changes which have been made at each Conference, the mercantile community are likely to view with distrust a clause which may, if acted on, render useless any new

codes which they may make within a few days of their completion. It is impossible now to go back from code messages, and the Chamber would have much liked to have seen a final settlement of what will be admitted as code words. This they consider would have been better arrived at by a letter tariff, as advocated in their letter of 22nd May last, which, while not interfering with existing codes, would have a tendency to eradicate the long words to which the telegraph officials so much object.

As the Committee of the Chamber entertain the gravest apprehensions that the commercial community will be subjected to the most pressing inconveniences under the operation of the proposed new rules, they respectfully solicit the earnest attention of the Government of India and of Her Majesty's Secretary of State to the expediency of withholding assent to the Resolutions of the Conference, and, if necessary, of withdrawing from the Convention, or of limiting the power of their Delegates so as not to become parties to impracticable and useless alterations of rules regarding telegraphic traffic.

## CUSTOMS.

### PROCEDURE AS TO SHIPMENT OF GOODS WITH THE VIEW TO SECURE ACCURATE STATISTICS OF EXPORT TRADE.

The correspondence which follows has reference to certain proposals made by the customs authorities for securing accuracy in the statistics of the export trade of the port. These were very carefully considered, and will be found fully discussed in the Committee's letter of 18th June.

*From Board of Revenue to Chamber.*

*The 1st March* 1879.

HON'BLE C. T. BUCKLAND.

Government Order No. 875, dated 2nd April 1878, with its enclosure.
Board of Revenue's letter No. 741B., dated 4th September 1878, to Government of Bengal.
Government Order No. 2758, dated 13th November 1878.

I have the honor, under the direction of the Board of Revenue, to forward you a copy of the papers noted on the margin regarding the procedure to be observed in the Custom House at the time of shipping goods, and the measures to be adopted for securing accuracy in the statistics of the export trade, and I am desired to request that the Chamber of Commerce will favour the Board with an expression of its opinion on the questions discussed in the correspondence, with especial reference to the plans proposed in paragraphs 5 to 8 of the Government letter No. 2758, dated 13th November 1878.

2. The Government letter in question, in accordance with the instructions contained in the last paragraph, was, in the first instance, sent to the Collector of Customs for consideration and for an expression of his opinion on the subject, and the report of that officer has recently been received by the Board. The Collector, in the first place, notices the enquiry made in paragraph 2 of the Government letter, how, in the case of free goods, the Collector is to know when the obligation to report short-shipment has been evaded; and he makes answer to this portion of the letter by a reference to the existing practice in the Custom House for determining short-shipment, from which it appears that the Collector is satisfied that

the procedure in this respect is practically efficient for the purpose. He thus writes :—

"*First*, manifests, under section 63, are at once checked with commanders' copies of bills of lading which have been signed up to time of clearance, and these, with the exception of a few items, generally represent the entire cargoes ; and,

"*Secondly*, with the registers of this office,* it being taken for granted that all goods for which passes have been issued, but which are omitted from the manifests, have been shut out or short-shipped. On the fifth day after each vessel's departure the manifests are compared with the notices of short-shipment filed, and penalties are adjusted against exporters whose goods have been shut out as per manifest, but who have failed to furnish notices of short-shipment up to that time. Should exporters subsequently prove that their goods *were* shipped, and that the omission in the manifest is a mistake, the agents of the vessel are called upon to explain the discrepancy in the manifest.

* NOTE.—This is to prevent the manifested quantity exceeding the quantity passed.

"In such cases agents generally produce their freight list in support of their statement, and this office refers to the endorsement on the passes and the preventive officer's book, which, in the case of free export, is compiled from the ship's officer's accounts. I have invariably found that by these measures practically correct statistics are obtained.

"With reference to the manifests of vessels clearing under guarantee (section 66), a similar system is adopted

immediately on presentation of manifests, the only difference being that the examination of manifests with the commander's copies of the bills of lading is of necessity omitted, the last named documents being carried away by masters."

3. The Collector's remark that by the measures above described he has *invariably* found that practically correct statistics are obtained must be accepted with some reservation, for, further on in his letter, the Collector mentions instances in which difficulty has been experienced in the matter. For example, when goods are entered in the manifest for which no pass can be traced in the books of the Custom House, it becomes a troublesome matter to reconcile or adjust the discrepancies, and until the difference is explained, it seems to be the practice to assume that the goods have been shipped in contravention of section 137 of the Customs' Act, and this frequently leads to a lengthy correspondence and delay. Again, in the case of coasting vessels, which visit the port occasionally, the Collector observes that "great difficulty is experienced in procuring even approximately correct statistics;" and again he writes:—

"The difficulty in procuring correct returns of short-shipped goods arises from the fact that the majority of the shippers to coast ports are native traders, and itinerant bazar dealers, who are ignorant of the law, whose residences are unknown, and the similarity of whose names causes difficulty of identification. The practice of making such shippers enter their addresses in the shipping-bills has been adopted, but the addresses given are in localities so distant and varied that it would necessitate a consider-

able increase to the staff of peons to convey the letters; and in cases where attempts have been made to deliver such letters they have been refused, and no satisfactory results obtained; and in some cases, when penalties have been imposed the parties concerned have simply denied identity and passed subsequent shipments under different names."

4. In paragraph 5 of the Government letter it is suggested that the agents should be compelled to produce with the manifest the "mate's receipts," and that these should be used for testing the manifests. The Collector, however, considers that this plan is not feasible, as the "mate's receipts," which are the vouchers granted by the ship's officers are invariably returned to masters in exchange for *bills of lading*. This appears to be correct, but the difficulty might be got over by requiring the production of a copy of the mate's receipt, which could be insisted upon under the terms of section 63, clause (*b*) of the Customs' Act. The Board of Revenue will, however, be obliged if the Chamber of Commerce will consider this view of the case, together with the Collector's objection.

5. The first proposal in paragraph 6 of the Government letter is that the name and address of every shipper applying for a pass should be carefully registered at the Custom House. The Collector considers that this measure might with advantage be adopted, as it would compel itinerant shippers to pass goods in the name of some known firm or individual who would be communicated with, when necessary, to avoid the alternative of producing a shipping-order.

6. It is next suggested that in the case of men not known, or of men suspected of habitual failure to report short-shipment, the Collector should insist on their producing a shipping-order for the goods from the agents of the vessel before granting a pass. The Collector is entirely in favour of this proposal, and asks that he may be authorized to give effect to it in instances where he may consider it requisite.

7. The next suggestion is that the *number* of the shipping bill or pass should be entered in the "mate's receipt" and by the agents in their manifest. The Collector is silent as regards the entry in the "mate's receipt," but he supports the proposal as regards the entry in the manifest, and, in fact, this plan has already been adopted in a new form of manifest which has been recently prescribed by the Board. The Board see no reason why a like entry should not also be made in the "mate's receipt," and in the copy of that document, which it would be necessary to present with the manifest, if their view, expressed in paragraph 4 above, should be carried out.

8. In paragraph 16 of the Board's letter No. 741B of the 4th September 1878, it was proposed to extend the provisions of section 66 as regards the delivery of the manifest to coasting vessels. The Collector is in favour of this proposal, and remarks as follows :—

"To meet any objection which may be urged against extending the provisions of section 66 to the coasting trade, on the ground that it is necessary manifests should accompany vessels, I have to observe that the passes issued under section 137 might be considered to be in themselves

detailed manifests of each individual shipment, and, if properly endorsed by ships' officers, would not only represent the goods passed, but those actually shipped as well, and would be infinitely more useful at the port of destination than the admittedly incorrect manifests now used. Besides, one copy of the correct manifests filed in duplicate after five days should, I suggest, be sent by post direct from the Customs' authority at port of lading to the Customs' authorities at each port of destination."

9. The Collector has summed up his report by making a series of proposals to the following purport, and the Board will be glad if the Chamber of Commerce will take these proposals into consideration in dealing with this subject:—

(1) To empower the Collector of Customs to demand the production of freight lists and the whole of the books in which the ship's accounts are kept, and which he may consider necessary to verify manifests furnished.

(2) To reject shipping-bills, unless supported by *bonâ fide* shipping orders duly signed by agents and charterers, when presented by shippers who are not well known, and who are consequently likely to evade the provisions of the law with reference to section 140.

(3) To amend the 57th clause of section 167, by including in its provisions instances where the notices of short-shipment furnished are not in accordance with actual transactions.

(4) To insist upon exporters returning shipping bills upon which no goods have been actually shipped,

and on their failing to do so to enforce a penalty as in the case of non-delivery of short-shipment notices.

(5) To abolish the present coasting pass form for vessels other than native craft, and to substitute in lieu thereof the form of manifest referred to in paragraph 7 of this letter.

(6) That the duplicate manifests for coast ports, instead of being returned to the master or agent, as directed in section 158 of Act VIII of 1878, should be retained and despatched by post by the Customs' authorities at each port of lading to the customs authorities at the several ports of call. (The above proposal is contingent on the extension of the provisions of section 66 to coasters.)

(7) That the publication of daily exports for goods passed for coast ports should be discontinued with consent of subscribers, and in place thereof a corrected list of goods actually exported should be published as soon after the manifests are adjusted as possible.

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*Extract from the Proceedings of the Government of India, in the Department of Revenue, Agriculture and Commerce,—Nos.* 141-145, *the* 14*th March* 1878.

READ the following papers:—

Letter from the Government of Bombay, No. 7614, dated the 27th December 1876, forwarding a letter from the Commissioner of Customs, Bombay, contain-

ing suggestions for reducing the bulk of the Trade and Navigation Statistics volumes of that Presidency.

Office memorandum from the Financial Department, No. 1995, dated the 7th April 1877, inviting attention to the increased size of the Bombay Trade and Navigation Statistics volume for the year 1875-76, and enquiring whether all the information of real value contained in it might not be embodied in a smaller compass.

Despatch from Her Majesty's Secretary of State for India, No. 123, dated the 23rd August 1877 (paragraph 6), directing attention to the importance of securing economy in the printing of the Trade and Navigation Statistics of the several provinces wherever this can be effected without loss of efficiency.

Read also the following papers relating to the adoption of a system providing for increased accuracy in the statistics of the coasting trade :—

Letter to the Government of Bengal, No. 20, dated the 14th January 1876 (paragraph 18).

Letter from the Government of Bengal, No. 2026, dated the 10th August 1876.

Letter to the Government of Bengal, No. 299C., dated the 20th September 1876.

Letter from the Board of Revenue, Lower Provinces, No. 16B., dated 9th January 1877, received under endorsement by the Government of Bengal, No. 148, dated the 18th January 1877.

Circular Nos. 107-109, dated the 15th January 1877 to the Governments of Madras and Bombay, and the Chief Commissioner of British Burmah.

Letter from the Chief Commissioner of British Burmah, No. 818-151, dated the 19th May 1877.

Letters from the Government of Bombay, Nos. 3308, dated the 25th May 1877, and 4057, dated the 30th June 1877.

Letter from the Government of Madras, No. 2422 dated the 1st August 1877.

## RESOLUTION.

ATTENTION has for some time been directed to the best way in which a reduction in the bulk of the volumes annually published in the several maritime provinces of British India, containing the statistics of trade and navigation, might be effected without sacrificing any portion of their usefulness; and the following curtailment of the information contained in them has been decided upon.

2. In the tables of the foreign trade, particulars of the trade with different ports in each foreign country need not in future be shewn, but only the total trade with each country. Independently of the fact that the adoption of this course will reduce the cost of printing the volumes, it does not appear that the publication of the details of the trade with each port serves any useful end.

3. Such ports in any Presidency as have had no foreign trade during the year may be omitted from the tables altogether.

4. The articles now specified in the tables of the coasting trade are the same as those prescribed for the foreign trade, but there does not appear to be any sufficient reason for having identical lists of articles in equally great detail in the record of both branches of trade. An article may be of importance in the foreign trade and have very little real importance, though the trade may be comparatively large, in the returns of the coasting trade; while, on the other hand, some articles which possess importance in the coasting trade have little or no importance in the foreign trade. In future, therefore, only the articles enumerated in the list annexed to this Resolution shall be exhibited in the tables of the coasting trade, all others being grouped together and entered under the head "all other articles of merchandise."

5. These modifications should be carried into effect in the volumes for each province for the current and future official years, and in the volumes for the years 1875-76 and 1876-77 for those provinces for which they have not yet been printed. It is not, however, intended that any change should be made in the monthly returns sent to this department, which should continue to shew the trade with different ports in each foreign country separately, and to shew the coasting trade in the same detail as at present.

6. The application of an efficient remedy to the inaccuracy which exists in all the provinces, but especially in Bengal and Burmah, in the statistics of the coasting or interportal trade, has formed the subject of prolonged correspondence. The measures proposed by the Government of Bengal do not seem to be adopted to

secure the object in view, nor, if they were, is it at all certain that they could be satisfactorily worked. The Government of India considers that the only efficient remedy will be to provide by law for the return by importers and exporters of accurate information, and to insist upon the responsibility of Customs officers in rigorously enforcing the provisions of the law. The principal inaccuracies are now found to exist in the returns of shipments, the system in force being such that a merchant taking out a shipping pass for merchandise not subject to duty is not bound, and does not consider it necessary, to make a return to the Custom House of the quantity actually shipped, though that may be only half or a third of the quantity entered in the shipping pass from which the statistics of trade are compiled.

7. Similar inaccuracies, arising out of the same cause, exist in the record of the export of non-dutiable goods to foreign ports. As far as regards such trade, provision has been made in the new Sea Customs' Act (sections 137 and 140), under which shippers of goods are bound, under penalty, to make a return to the Custom House of the quantity and value of the goods actually shipped. It will be the duty of all Collectors of Customs to see that the law is strictly enforced The officer in charge of the Custom House must insist that the duplicate shipping bill shall invariably be returned to the Custom House within five days after the departure of the vessel, with a certificate thereon, signed by the shipper or his authorised agent, of the quantity and value of the goods actually shipped. From this duplicate the necessary amendments in the records should be made. Care must be taken that

no original shipping pass shall be put away by the compiling department as finally done with until the duplicate has been returned to the Custom House, compared with the original, and needful amendments made. It will be desirable, too, to print in a conspicuous place and in prominent type on the forms of shipping pass, employed in the Custom House, a notice that shippers must return the pass to the Custom House with the endorsement required after shipment of the goods.

8. As regards the coasting trade, by Section 156 of the Act the two sections mentioned in the preceding paragraph, which provide for the accurate record of shipments to foreign countries, apply also to this branch of trade. The Governor-General in Council requests that the local Governments will at once draw the attention of all officers of Customs to these provisions, and instruct them to enforce the law as strictly as in dealing with shippers to foreign ports. Care should also be taken to enforce the responsibility of masters of vessels in the return of manifests, as provided in the Act. The instructions suggested in the preceding paragraph for the guidance of Customs officers should be held to apply equally to the case of the coasting trade. What the Government of India wants, in fact, is that the measures which under the law will now be taken to secure a correct record of the exports to foreign ports, should be adopted to secure a correct record of the coasting trade where the system of work in Custom Houses is the same for both branches of trade.

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ORDER.—Copy forwarded to the Governments of Bengal, Bombay, and Madras, and to the Chief Commissioner of British Burmah, for information and guidance.

Copy also forwarded to the Financial Department, for information.

(True extract.)
G. H. M. BATTEN,
*Offg. Secy. to the Govt. of India.*

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*From* W. H. GRIMLEY, ESQ., *Secretary to the Board of Revenue, L. P., to the Secretary to the Government of Bengal, Revenue Department,—No.* 741 *B. Fort William, the* 4*th September* 1878.

HON'BLE C. T. BUCKLAND.

I am directed to acknowledge the receipt of Government Order No. 179, dated 2nd April last, forwarding copy of a Resolution of the Government of India, in the Department of Revenue, Agriculture, and Commerce, No. 41, dated 14th March 1878.

2. This Resolution contains two sets of instructions. The first set relates to the arrangement of statistics in the trade and navigation volumes, so as to reduce the bulk of that work; the second set deals with the procedure to be followed under the Customs' Act at the time of shipping goods, and is intended to ensure greater accuracy in the statistics of the foreign export and coasting trade.

3. The orders of Government on the first point are being carried out; but as regards the second, some difficulty has been felt by the officers to whom the orders were communicated in giving effect to them, and they have sought further instructions on the subject. The Board have considered the matter, and find that the difficulties in laying down rules of practice, which shall be in accordance with the Government orders, and at the same time consistent with the provisions of the Customs' Act, are

even greater than is represented; they therefore are compelled to re-submit the whole question to Government for the issue of further instructions.

4. The directions contained in paragraphs 7 and 8 of the Resolution referred to above are to some extent, or at any rate as far as the coasting trade is concerned, the outcome of the correspondence noted on the margin. The object of this correspondence was to provide a simple system for securing accuracy in the figures of the coasting trade. In paragraph 18 of the Resolution of the Government of India in the Department of Revenue, Agriculture, and Commerce, enclosed with Government Order No. 299, dated 31st January 1876, it was suggested that a rule should be passed under Section 4 of Act VI of 1863, compelling shippers of goods under penalty *to return to the Custom House all passes for free goods, noting thereon the exact quantity finally shipped.* It was further suggested that masters of coasting vessels might be compelled to furnish the Customs officers with their cargo-books before clearance, to enable the Collector of Customs to compare the cargo-book with the shipping passes.

Government Order No. 299, dated 31st January 1876.
Board's No. 530B, dated 19th July 1876.
Government Order No. 2496, dated 7th October 1876.
Board's No. 16B, dated 9th January 1877.

5. The Board, in their letters Nos. 530B and 16 B, dated, respectively, 19th July 1876 and 9th January 1877, proposed a more simple plan, which would impose fewer restrictions on shippers. They recommended that shippers should be allowed to ship goods by means of an ordinary pass, and that, after the goods had been taken on board, the agent of the ship should obtain from the shippers, at

the time of granting a bill of lading, fully detailed shipping bills, which, together with the manifest of the vessel, would be forwarded to the Collector of Customs within three days after the ship had left.

6. It appears that this proposal was submitted to the Government of India, but it was not accepted for the reason given in paragraph 6 of the Resolution. The measures proposed did not seem to the Government of India to be adapted to secure the object in view, and it was not certain that they could be worked. The Resolution then comments upon inaccuracies in shipment returns in consequence of a shipper not being bound, or not considering it necessary, to make a return of short-shipments to the Custom House in the case of goods not subject to duty, and the orders of Government are then expressed in these terms:—

"The Government of India considers that the only efficient remedy will be to provide by law for the return by importers and exporters of accurate information, and to insist upon the responsibility of Customs officers in enforcing the provisions of the law."

7. The Resolution then notices the fact that the remedy is just as much needed in the case of exports of non-dutiable goods to foreign ports, as it is as regards the figures for the coasting trade; and it proceeds to point out that adequate provision for ensuring correct returns has been made in the Sea Customs' Act VIII of 1878, and how the law can be applied.

8. It states that under sections 137 and 140 of the Act shippers are bound, under penalty, to make a return to the Custom House of the quantity and value of the goods

actually shipped, and it directs that the Collector of Customs should insist that the duplicate shipping bill shall invariably be returned to the Custom House within five days after the departure of the vessel, with a certificate thereon, signed by the shipper or his authorized agent, of the quantity and value of the goods actually shipped. This duplicate is intended to be used by the Collector in amending the original record of shipments.

9. The above procedure is to be followed in the case of the coasting trade as well as in the treatment of non-dutiable exports to foreign ports.

10. It seems to the Board that the order of Government depends upon the interpretation to be placed on the procedure prescribed by Section 140. It is assumed that a shipper is bound by that section, in every instance of shipment of goods, to forward to the Collector of Customs a statement of goods actually shipped before the expiration of five days from the departure of the vessel, in addition to the original shipping bill delivered in duplicate under Section 137. But this is not the case. It is only in the case of short-shipment or re-landing that the owner is bound to send any intimation to the Collector of Customs under Section 140. Where everything is correct, *i. e.*, where all the goods mentioned in the shipping bills or manifest have been placed on board, the owner's responsibility as regards supplying the Collector of Customs with particulars of the goods shipped is at an end. The law does not require him to do anything further, and he cannot be made to do so by a rule, for such a rule would go beyond the Act and be *ultra vires*.

11. But even if this were not the case, it appears to be impracticable to carry out the instructions of Government in the particular manner directed. The Resolution says:—

"The officer in charge of the Custom House must insist that the duplicate shipping bill shall invariably be returned to the Custom House within five days after the departure of the vessel."

It is not evident what is meant by "*the duplicate shipping bill*," or where such document is referred to in the Act. In the case of coasting vessels it cannot be any of the shipping bills mentioned in Section 158 which form the accompaniments of the manifests which the master delivers to the Collector of Customs at the time of obtaining port-clearance, because such accompaniments are returned to the master and are carried away by him in the vessel to be used at the port of arrival.* Nor is it apparent, in either case of foreign or coasting vessels, that the duplicate shipping bill referred to can be one of the documents mentioned in Sections 63 and 137, for there is no provision of the law which makes it compulsory that a duplicate of such document shall remain with the ship's agent after the departure of the vessel, and according to general practice this would be very inconvenient. In Calcutta an intending shipper presents shipping bills in duplicate as enjoined in section 137. One is kept by the Collector of Customs to be used for the preparation of trade statistics; and the other, which may be here called "the duplicate," is returned to the shipper with the Collector's order to pass the goods endorsed thereon. "The duplicate" is then

* *Vide* Section 159, Act VIII of 1878.

taken on board by the shipper along with the goods, and in the case of foreign-going vessels is there taken possession of by the preventive officer, who tallies the goods and endorses on "the duplicate" the quantities actually shipped. "The duplicate" is then forwarded to the Collector of Customs, and is used by him to check the returns of short-shipment presented under Section 140. In the case of coasting vessels the procedure differs so far that "the duplicate," when taken on board with the goods, is retained by the master as his authority for the reception of the goods.

12. When application is made for the port-clearance, the Collector of Customs, acting under Section 63 in the case of foreign-going vessels, and under Section 158 in the case of coasters, might require the production of "the duplicate" along with the manifest, but the practice is not to insist upon their production. The Collector of Customs considers that he has a discretion allowed him under the section named, and in the case of foreign-going vessels does not require "the duplicate" to be produced with the manifest, as it is already with the preventive officer, or has been delivered up in his office, while in the case of coasting vessels the Collector of Customs considers it would be inconvenient to the master if he were required to bring away the document before the loading of the vessel was completed. Besides, as above mentioned, the document would have to be returned to the master to be produced by him at the port of arrival under Section 159.

13. It is therefore obvious that there are difficulties in the way of giving effect to the orders of the Government of India. It might be possible to carry them out

by insisting upon the presentation of shipping bills in *triplicate*, and by providing a rule compelling the agents of ships to file a corrected triplicate shipping bill after the vessel had left ; but the Board have already expressed a doubt whether such a rule would not be inconsistent with Section 140 of the law, which only requires notice to be given of short-shipment or of re-landing.

14. The question here arises whether it is absolutely necessary to go to the length of putting shippers to the trouble and expense involved in the proposed arrangement. The Collector of Customs, Calcutta, considers that in the case of a foreign-going ship the check provided by the preventive officer's tally and endorsement on the duplicate shipping bill is sufficient to ensure a correct record of shipments, and he further takes objection to the order requiring these endorsements and amendments to be transcribed on the original shipping bill, which could not be satisfactorily carried out without some considerable increase to his establishment. He writes :—

"Apart from these difficulties, however, I am of opinion that such comparison and endorsement appear unnecessary, for, under sections 63 and 140 of the new Customs' Act, agents and shippers can be compelled to reconcile the discrepancies in their accounts of cargo exported in a way they could not be forced to do under Act VI of 1863, and I believe that by carefully comparing the quantity declared by the agents in their manifests of goods exported, and the notices of short-shipment which the shippers are now bound to give, with the total quantity for which passes have been issued, and by strictly enforcing the law when incorrect information is wilfully

given, or necessary information is neglected to be furnished, practically correct statistics may be secured without any additional cost to the State, or seriously inconveniencing or harrassing the public; and, in fact, I find the result to be obtained here, and I propose to adhere to this practice unless the Board think it necessary to direct otherwise."

The practice described above seems to be in conformity with the Act, and it seems to the Board desirable to let the plan have a fair trial before introducing a system which involves the multiplication of documents, increase of labour to shippers and the officials of the Custom House, as well as the imposition of restrictions not contemplated in any provision of the Act.

15. As regards coasting vessels, it must be confessed that the existing system is defective, inasmuch as the Collector of Customs has no means of checking the shipping bills by the quantities actually shipped, as the duplicate shipping bills are carried away in the vessel. He is entirely dependent upon the information which the shipper may supply him of re-lands and short-shipments, and if such notice be omitted, the Collector of Customs has no means of knowing the fact. In this way the statistics of the coasting trade derived from the original manifests and shipping bills may be full of inaccuracies, as was the case last year in connection with the transport of rice to Madras.

16. The Board observe that there are objections to the plan proposed by the Government of India, and that the introduction of it in the out-ports would be impracticable. In only one of the Orissa ports is a shipping bill used.

The practice is for ships to load under the system of general passes. The Board think that the object in view will be gained by adopting the following procedure. They would make a rule, under Section 157 (*b*), exempting coasting vessels and the goods exported therein from the provisions of Section 137. Under Section 157 (*a*) so much of Section 66 as relates to delivery of manifest may be extended to such vessels and goods, and under Section 164 the Collector of Customs may be authorized to grant general passes. Under Section 165 the Board would direct the master to keep a cargo-book on board, and would dispense with the manifest required under Sections 158, 159, and 160.

17. The object of extending the provisions of Section 66 to coasting vessels is to enable the Collector of Customs, Calcutta, to receive a correct manifest after the vessel has left. Owing to the distance of the ports from the Collector's and agent's offices, five days may be insufficient; the Board would allow ten days, which would perhaps give ample time for the master of the vessel to communicate with the agent. Reference on the subject has been made to the Commissioners of Chittagong and Orissa.

18. In paragraph 8 of the Resolution there is a direction that the responsibility of masters of vessels in the return of manifests, as provided in the Act, should be enforced. The Board do not know what this refers to, as there is nothing in the Act VIII of 1878 which enjoins that masters of vessels are to return manifests.

19. In conclusion, I am desired to request that the views expressed by the Board may be considered by the

Government, and further instructions issued, the existing practice being allowed to continue meanwhile in force.

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*From* A. MACKENZIE, ESQ., *Secretary to the Government of Bengal, to the Secretary to the Board of Revenue, L. P., Calcutta, the 13th November* 1878.

I am directed to acknowledge the receipt of your letter No. 741B, dated 4th September, on the procedure to be followed at the time of shipping goods and the best mode of securing accuracy in the statistics of the export trade, foreign and coasting. The Board show clearly enough that the orders of the Government of India, contained in paragraph 7 of their Resolution in the Revenue, Agriculture, and Commerce Department, No. 141 of the 14th March last, are based upon a misapprehension of the exact effect of Section 140 of Act VIII of 1878, and of the practice with regard to shipping bills. In paragraph 14 of your letter, the Board go on to discuss the system which they would recommend. It is stated that the Collector of Customs considers that in a foreign-going ship the check provided by the preventive officer's tally and endorsement on the duplicate shipping bills is sufficient to secure a correct record of shipments. Mr. Maclean goes on to remark that "by carefully comparing the quantity declared by the agents in their manifests of goods exported, and the notices of short-shipment which the shippers are now bound to give, with the total quantity for which passes have been issued, correct statistics may be secured"; and the Board suggest that this plan should be tried.

2. If the system under which goods are shipped and manifests prepared at this port has been correctly repre-

sented, the Lieutenant-Governor fears that the anticipations of the Board and Collector of being able to secure correct statistics in the way proposed are far too sanguine. It is understood that shippers, many of them small bazar dealers, unknown personally to the Custom House, apply for shipping passes under Section 137 for certain quantities of goods. If the goods are not shipped in full, and if they are dutiable, the shippers report the short-shipment under Section 140 and obtain a refund of duty. In the case of dutiable goods we may feel quite sure that all short-shipments are reported, because the preventive officer also keeps a careful tally of these. But it is believed that the preventive officers keep no tally of non-dutiable goods, and do not endorse in any way the shipping bills of such goods. Only *three* articles of export are now dutiable, and although Section 140 imposes on shippers the obligation of reporting short-shipments of free goods also, the question is, how is the Collector to know when the obligation has been evaded, as it often is?

3. Under Section 63, the master of the vessel, when applying for port-clearance, is bound to produce a manifest in duplicate, specifying all goods to be exported by his vessel, together with such shipping bills or other documents as the Customs' authorities may prescribe. These subsidiary documents may be kept by the Collector, and it was evidently the intention of the Government of India that the duplicate shipping bill or pass (returned to the shipper under Section 130,) should form one of these documents after having been endorsed with the actual quantity of goods shipped under its protection. There are, however, practical difficulties in the way of getting

such correct endorsements made. In practice, port-clearance is nearly always granted under the provisions of Section 66 on the ship's agents undertaking to deliver within five days the manifest and other documents specified. The ship is being loaded up to the last moment, and it would be impossible for the master to give a correct manifest of actual shipments when getting his port-clearance on the day before sailing. Now, if the manifest filed by the agents were really, and in all cases, made up from the *receipts* given by the vessel to shippers for goods actually delivered on board, or from the duplicates of those furnished to the agents as the ground-work of the bills of lading, there could be no better record of actual shipments. But it is believed that, in many cases, the agents being unable to prepare such a correct freight manifest within five days, depending as they sometimes do on documents that are sent back by the pilot, or posted down the river, endeavour to relieve themselves of their obligation under Section 66 by filing a manifest prepared *ad hoc* and based upon the original shipping passes. In that case, if the shippers also neglect to report short-shipments, the Collector has no possible means of detecting errors, and comparison of the manifest with the original shipping bill will lead to no result.

4. It would certainly be possible to order the agents to file with the manifest the duplicate shipping bills, endorsed in each case by the ship's officers with the actual quantity shipped. But in the case of goods shipped in a hurry, twenty-four hours before the vessel left, it would probably be impossible to expect that such endorsements could be made by the ship's officers at the moment

and the agents would have to await receipt of the bills from the pilot or by post, and not be able to file them within five days. To make such endorsements on the duplicate shipping passes would also add considerably to the work of the ship's officers, and it is understood that they could not be made by the preventive officers on board unless their numbers were increased. The duplicate shipping bills are in fact in practice not so endorsed.

5. Apparently the simplest plan would be to insist on the agents producing with the manifest the actual "mate's receipts" as they are termed, *i.e.*, the ackowledgments given by the vessel or the duplicates of those on which the agent's bills of lading are prepared. These are documents which the agents have to retain as their own vouchers, but they might perhaps be produced, used for testing the manifest, and returned. The Lieutenant-Governor would like to know if this procedure could not be adopted.

6. If this plan was much objected to, the following arrangement would apparently give the Collector a greater power of check than he now has. Let the name and *address* of every shipper applying for a pass be carefully registered at the Custom House. In the case of men not known, or of men suspected of habitual failure to report short-shipment, let the Collector insist on their producing a *shipping order* for the goods from the agents of the vessel, before granting the pass. Let it be ordered that the *number* of the shipping bill or pass be entered in the "mate's receipt" and by the agents in their manifest. This would enable the Collector to compare at once the original shipping bills filed in his office with the reported shipments in each case, and the necessity for giving this

number would almost compel the agents to refer to the mate's receipts in preparing their manifest. If the Collector saw reason to doubt that the manifest was correct, he could call on the agents to produce their 'freight manifest' showing actual charges made on actual shipments, or the mate's receipts. He might do this occasionally with advantage in the case of all firms. It would ensure care and correctness. If the Collector then punished promptly shippers not reporting short-shipments, and agents filing incorrect manifests, the dread of detection would very soon ensure the general accuracy of the returns made.

7. In the foregoing paragraphs, the case of foreign trade vessels alone has been considered. But it would seem that the plan described in paragraph 6 might very well be applied to all coasting vessels loading under the system described in sections 137, 158, 159 and 160.

8. Where a cargo-book is kept, and shipping bills or passes are used, the *numbers* of the shipping bills should also be entered in the cargo-book to assist the Collector in detecting failures to report short-shipments under Section 140. A copy of the cargo-book should in all cases, both under the general pass and the shipping bill systems, be made over by the master when taking port-clearance, or by the agents after the vessel's departure. It is presumed there would be no difficulty in getting agents to agree to this as less troublesome than if the Collector were to insist on the production of the original book and stop all shipment after it had been shown to him, which is the only alternative. The Collector should occasionally call for the original book, or for

freight manifests of the voyage, and test the accuracy of the copies submitted to him.

9. It appears to the Lieutenant-Governor that by some one or other of the plans suggested above the statistics of both foreign and coasting export trade might be made more accurate than they are at present. The plan proposed by the Board for the coasting trade in paragraph 16 of your letter does not commend itself to the Lieutenant-Governor as suitable in all cases, and he would prefer that the Board should again consult the Collector and the Chamber of Commerce, and draw up rules on the lines now sketched out with such modifications as may seem to be necessary or desirable. The matter could then again be laid in a complete form before the Government of India.

I have the honor to be,

SIR,

Your most obedient servant,

A. MACKENZIE,

*Secretary to the Government of Bengal.*

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*From Chamber to Board of Revenue.*

*Calcutta, 18th June* 1879.

The Committee of the Chamber of Commerce direct me to acknowledge the receipt of your letter No. 319 of 1st March with its enclosures, relative to the procedure to be observed in the Custom House at the time of shipping goods and the measures to be adopted for securing accuracy in the statistics of the export trade of the port of Calcutta.

Having carefully considered the paragraphs in Government of Bengal letter No. 2758 of 13th November 1878, to which their attention has been specially called by the Board, as well as the Collector's proposals, and the general correspondence on the subject, the Committee direct me to submit the following remarks in reply to your reference.

In discussing the best method of securing accuracy in the statistics of both foreign and coasting export trade the Government of Bengal say, "apparently the simplest plan would be to insist on the agent producing, with the manifest, the actual mate's receipts, as they are termed, *i. e.*, the acknowledgments given by the vessel, or the duplicates of those on which the agent's bills of lading are prepared. Those are documents which the agents have to retain as their own vouchers, but they might perhaps be produced, used for testing the manifest, and returned."

If this plan is objected to, then it is proposed by the Government that the name and address of every shipper applying for a pass be carefully registered at the Custom House. In the case of men not known, or of men suspected of habitual failure to report short-shipment, the Collector should insist on their producing a shipping order for the goods from the agents of the vessel before granting the pass. It is also proposed that the number of the shipping bill or pass be entered in the mate's receipt, and by the agents in their manifest, with the view to enable the Collector to compare at once the original shipping bills filed in his office with reported shipments in each case, and the necessity for giving this number would almost compel the agents to produce their

freight manifest, showing actual charges made on actual shipments, or to produce the mate's receipts. And an additional provision is suggested, *viz.*, where a cargo-book is kept, and shipping bills or passes are used, the numbers of the shipping bills should also be entered in the cargo-book to assist the Collector in detecting failures to report short-shipments. A copy of the cargo-book should in all cases, both under the general pass and the shipping bill systems, be made over by the master when taking port-clearance, or by the agents after ship's departure. The Government presume there would be no difficulty in getting agents to agree to this, as being less troublesome than if the Collector were to insist on the production of the original book and stop all shipments after it had been shown to him, which is the only alternative ; the Collector calling occasionally for the original book, or for freight manifests of the voyage, and testing the accuracy of the copies submitted to him.

The documents referred to in your letter and its enclosures, upon one or more of which it is proposed to rely for securing accurate statistics, are—

*The Shipping Bill, or Customs Pass.*
*The Shipping Order, granted by agents,*
*The Mate's Receipt, for goods shipped,*
*The Bill of Lading, prepared from the mate's receipt.*
*The Manifest, or summary of cargo shipped.*

Upon each of these documents the Committee would remark as follows :—

*The Shipping Bill or Pass* would not, in their opinion realise the object in view, namely, the inducing or compelling native shippers to furnish accurate records of their

transactions. The proposed registration of names and addresses might effect something, but in view of the extreme difficulty of finding or identifying a native who desires to remain *perdu* it is questionable whether the result obtained would compensate for the extra labor and friction necessarily involved.

The number of the shipping bill or pass is, in practice, now given in the manifest, and it does not appear necessary that it should be given in the mate's receipt also.

*The Shipping Order* is a document from the agent to the commander of the vessel, authorizing the latter to receive certain goods if tendered by a certain shipper. Frequently a shipping order is granted for several hundreds of tons of various articles at varying freights, the particular merchandize to be shipped being then left to the option of the freighter, who may, in his turn, sublet his assigned space to other shippers, more or less numerous. The captain of the vessel receives no cargo until the agent's order has been delivered to him; so that with the very first boat-load tendered by virtue of the original shipping order, this document passes out of the shipper's hands, and it may be long before he or those to whom he has sublet have fully decided upon all the cargo to be shipped.

Hence is seen the impracticable nature of the suggestion that when a pass is applied for the Collector should have power to demand production of the shipping order. Moreover, merchants frequently receive orders to ship goods with such despatch that the delay involved in procuring shipping orders might make the intending shippers late for the Custom House and thereby prevent business.

Lastly, a shipping order is a record of a private contract, and it may frequently be inconvenient to disclose its terms.

*The Mate's Receipt* is the vessel's acknowledgment for goods shipped. It is usually, but not invariably, exchanged for a bill of lading; when not so exchanged, it is a document upon which the holder may demand, at the ship's destination, the goods specified therein. The mate's receipt being thus a paper of value, and one which does not necessarily come into the agent's or captain's hands, it will be objectionable to demand that manifests filed at the Custom House shall be accompanied by mate's receipts, whether in original or in duplicate. To throw on a vessel the obligation of issuing every mate's receipt in duplicate would frequently mean, for the shipowner, either loss by delay of his vessel or the employment of additional officers; to require copies of mate's receipts would involve an immense amount of extra work on a vessel at her busiest moment: documents so prepared would be unreliable and productive of complication and confusion; moreover, these receipts are extremely voluminous, 100 or more being sometimes attached to the manifest of a general cargo ship, and if filed with manifests would prove inconvenient alike for ship's officer, for ship's agent, and for Custom House officials.

*The Bill of Lading.*—Excepting in cases extremely rare, mate's receipts are exchanged for this document, which, on account of its importance, is most carefully verified by shipper, agent, and captain. At present, the bill of lading is usually signed in quadruplicate, *i. e.*, three stamped copies for the use of the shippers and one un-

stamped copy for the guidance of the captain and his owner or consignee at port of destination: and no one of these four parts can consequently be filed at the Custom House. There is, however, no reason why a fifth (or "Customs") unstamped copy should not be added; and this copy, signed by the captain, might be retained by the agent and handed into the Custom House with the manifest.

*The Manifest.*—As the bill of lading is made out from mate's receipts, so the final manifest is prepared from bills of lading and checked over with the freight list or account showing amount of freight earned; and the Committee submit that it would not be possible to devise a record of export more perfect or satisfactory than such summaries of cargoes, vouched for, if required, by signed "Customs" copies of bills of lading.

Having thus indicated where they venture to think the Customs are searching amiss for the record they require and where they believe it already exists in the most convenient of forms, the Committee proceed to notice the series of proposals submitted by the Collector.

1. The proposal that the Collector shall have power to demand the production of freight lists and the whole of the books in which the ship's accounts are kept for the purpose of verifying manifests is one which has the Committee's entire disapproval, and which they do not hesitate to characterise as a most unreasonable and inquisitorial suggestion. If the Collector's recommendation were adopted, a complete set of books would have to be kept for each separate vessel, or else agents would have to submit to the work of their offices being periodically

stopped and thrown into arrears and confusion at the pleasure of the Collector. The Committee believe that no agent would decline to show his ship's freight list to the Collector, if applied for to clear up any doubtful entry in the manifest, and that such lists have occasionally been submitted for his information; but they are strongly opposed to the compulsory exhibition for which the Collector demands official authority.

2. The proposal to reject shipping bills, unless supported by *bonâ fide* shipping orders duly signed by agents and charterers when presented by shippers who are not well known and likely to evade the law, has already been dealt with in a previous paragraph.

3. To amend the 57th Clause of Section 167, by including in its provisions instances where notices of short-shipment are not in accordance with actual transactions appears to be a reasonable suggestion; for the Committee are of opinion that shippers should be bound to report short-shipments with accuracy: but Section 140 already provides that such notices shall be given, and non-compliance with it would seem to be covered by the clause which the Collector desires to amend.

4. To insist upon exporters returning shipping bills upon which no goods have been actually shipped, and on their failing to do so to enforce a penalty, as in the case of non-delivery of short-shipment notices, seems to the Committee an unnecessary requirement if the suggestion immediately preceding be adopted, and as that would sufficiently meet the case there is hardly any reason for imposing the additional liability.

5. & 6. Manifests for coasting vessels and coast ports.—The extension of the provisions of Section 66 of Act 8 of 1878 to coasting steamers is a reform which the Committee are glad to find is advocated by the Collector. At present a foreign-going ship is permitted to clear on the agent giving security for delivery of a correct manifest within five days; but for some unexplained reason this privilege is not extended to coasting steamers generally. Some vessels are occasionally allowed to avail of this section under sufferance, but the privilege is liable to be suddenly withdrawn at the pleasure of a Custom House official, and the loss through delay thus inflicted on owners may be very serious; as for example, when a steamer which completes loading on Saturday night is detained till Tuesday, waiting for her port-clearance.

Were the section extended as now proposed, the shipping bills would, to a large extent, practically take the place of manifests, but as these shipping bills would be numerous and (being used on deck in wind and rain) more liable than manifests to be lost, a vessel should, in case of any pass not being forthcoming, be allowed time to communicate with the port at which such missing pass might have been issued originally, before being adjudged guilty of any breach of rules, and meantime entry inwards should not be denied.

The Committee are inclined to doubt whether the Customs' authorities at ports of loading would habitually forward manifests to the ports of call with necessary promptness, and they think that the transmission of those documents had better be left, as at present, to the parties

directly interested in the papers quickly reaching their destination—*viz.*, to the owners or agents of vessels.

7. The Committee understand that subscribers to the publication of daily exports desire the continuance of details of goods passed for coast ports, as they are found useful in many ways; and to those who are interested in the coast trade the returns are of not less importance than the published returns of the home or foreign trade are to those who conduct that branch of the business of the port. Subscribers would gladly welcome, as an addition to present particulars, a correct list of goods actually exported and published as soon as possible after manifests have been adjusted; and, instead of any diminution of official information, the Committee would be glad to find that the Collector is in a position to afford the fullest particulars in his power.

The Committee desire to add for the consideration of Government, that the present period—5 days—within which, according to the Customs' Act, correct manifests must be filed is, in many cases, insufficient to enable an agent to guarantee the accuracy of the manifest. Either the time for filing should be extended, or a further period of grace given for correction of errors free of fine, Customs officers being instructed in the meantime to draw the attention of agents to any mistakes, or seeming mistakes, which may have been detected.

And this leads the Committee to submit a few observations on the subject of fines. No respectable firm can have the slightest objection to furnish the Government with any statistical information which can reasonably

be required; but what it may properly object to is to be treated habitually as if it could only be restrained from fraud by the fear of punishment: and the Committee submit that instead of being the rule fines should be the exception, imposed only when a palpable attempt to evade the law is detected, or as a punishment for gross and repeated carelessness. The Committee apprehend that the provision in the Customs' Act for the imposition of fines was not intended to warrant the Collector in levying them under all circumstances of discrepancies in documents or for every breach of Customs rule: in the conduct of extensive shipping transactions it is unreasonable to suppose that errors will not creep in, or to believe that it was intended that as surely as an error was discovered a fine should follow. Clerical errors cannot always be avoided, and the Committee submit that the system under which penalties are imposed should be materially amended, and that any extra powers that the Collector may receive should be accompanied by a distinct intimation of the conditions under which he would be justified in imposing fines, under ordinary circumstances, and as to their amount when so imposed.

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## CUSTOMS.

### RULES AS TO PASSING GOODS FROM JETTY SHEDS.

*From Collector of Customs, to the Chamber of Commerce,—No. 2175, dated 15th July 1879.*

I have the honor to request that you will ask the attention of the Committee of the Chamber to the

enclosed copy of certain rules which, in consultation with the Port Commissioners, I have had framed, with a view of obviating the delay arising from the necessity for frequent reference to the Custom House in the case of goods bearing defaced marks or marks slightly differing from the entries, about which there have been some complaints of late.

2. You will observe that the rules dispense with reference to the Custom House except in important cases, and I shall be obliged if your Committee will take measures to inform the mercantile public of the rules, in order that the system may be fully understood and groundless complaints of delay from sircars and others prevented.

3. The forms in question will be supplied by the Jetty Superintendent.

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Office Order No. 240.

1. In future the officers at the jetty gates in passing LOOSE METALS need only satisfy themselves that the quantity and description are correct by the bills of entry, and that such marks as are visible on the loaded carts correspond with the entry: they will not be held responsible for seeing *all* marks, and the present system of applications to pass without reference to marks is to be discontinued.

2. In the case of PACKAGES bearing defaced marks and numbers, or marks and numbers slightly different to the entry, an application in the annexed form, countersigned by the jetty officer as being necessary, will be presented to the appraiser in charge of the shed where

the goods are lying. The appraiser is to open and examine the packages noted in the application and (if he finds they are part of the consignment represented by the entry quoted and have paid the correct amount of duty), is to mark the packages with his initials in chalk, and sign on the application the order for the gate officer to pass them. The appraiser's order will be the gate officer's authority for passing out.

3. In any case where there is a discrepancy involving payment of extra duty, or such a considerable variation in the marks as renders the amendment of the Custom House documents advisable, the case is to be referred by the appraiser for orders before the order to pass is given.

J. D. MACLEAN,
*Collector of Customs.*

## DAY OF DEPARTURE OF MAIL STEAMERS FROM BOMBAY.

The day named by the Committee (Wednesday) for the closing of the weekly overland mail at Calcutta, under the new contract has, they are glad to say, been adopted by the postal authorities. This, under present arrangements, allows the mail to reach Bombay in time to permit of the departure of the P. & O. Co.'s steamer from that port at noon on Saturday, and that hour and day were suggested by the Chamber with a view to meet the convenience of the Bombay community, so as not to interfere with the Saturday

half-holiday now generally allowed. The Indian Postal authorities would seem to have supported this proposal, only naming 2 P.M. on Saturday instead of noon as the hour of the steamer's departure from Bombay.

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*From Director-General of the Post Office of India, to Chamber.*

*Simla, the 21st June* 1879.

The accepted tender of the Peninsular and Oriental Steam Navigation Company for the new contract for the Mail service between Bombay and Brindisi provides, it is believed, for a sea transit less by two days than the time taken under the present contract: and for a monsoon allowance on the homeward voyage of two days instead of the present allowance of three days.

2. The British Post Office will probably have the choice of the day of the departure of the outward mail from London, and it has already intimated a desire for the same day as at present, *viz.*, Friday.

3. Similarly, the Indian Post Office will probably have the choice of the days of the departure of the homeward mail from Bombay; and a reference has now been received from the British Post Office on the subject. The British Post Office suggests a departure from Bombay on Monday in the fair season, and on Saturday in the monsoon. A Saturday start from Bombay would be objectionable (as interfering with the usual half-holiday), but this objection might be obviated by arranging for the

steamer to start at (say) 2-30 P. M. on Saturday, the mails being closed in Bombay at 1 P. M. But another objection occurs to this arrangement, owing to the fact that it would result in a closing of the mail at Madras on Saturday evening in the monsoon season.

4. Perhaps, on the whole, the best days for the starting of the steamers from Bombay would be Saturday (at 2-30 P. M.) in the fair season and Thursday in the monsoon.

5. The two suggestions referred to above are shown below, the first being marked A and the second B.

| | Mail to be closed in **Calcutta.** Evening. | Mail to be closed in **Madras.** Evening. | Steamer to leave **Bombay** at the hour mentioned. Mail to be closed 1½ hour before the steamer starts. |
|---|---|---|---|
| **A.** | | | |
| Fair Season ... | Friday ... | Saturday ... | Monday 7 p. m. |
| Monsoon ... | Wednesday ... | Thursday ... | Saturday 2-30 „ |
| **B.** | | | |
| Fair Season ... | Wednesday | Thursday ... | Saturday 2-30 „ |
| Monsoon ... | Monday ... | Tuesday ... | Thursday 5-30 „ |

6. I annex a table showing the effect of a departure of the mail steamer from Bombay on other days of the week.

7. I shall be glad to receive any remarks which the Chamber have to make on the subject, only asking that

the convenience of the other Presidency Towns may be borne in mind in making them.

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## TABLE.

| | Season. | Mail to be closed in Calcutta Evening. | Mail to be closed in Madras Evening. | Steamer to leave Bombay at the hours mentioned; Mail to be closed 1½ hour before the Steamer starts. | Mail reaches London. |
|---|---|---|---|---|---|
| | Fair ... | Sunday | Monday | Wednesday 7 P.M. | Monday.* |
| | Monsoon | Friday | Saturday | Monday 5-30 P.M. | |
| | Fair ... | Monday | Tuesday | Thursday 7 P.M. | Tuesday.* |
| | Monsoon | Saturday | Sunday | Tuesday 5-30 P.M. | |
| | Fair ... | Tuesday | Wednesday | Friday 7 P.M. | Wednesday.* |
| | Monsoon | Sunday | Monday | Wednesday 5-30. P.M. | |
| B. | | | | | |
| This is the one selected as an alternative by the Director-General. | Fair ... | Wednesday | Thursday | Saturday 2-30 P.M. | Thursday.* |
| | Monsoon | Monday | Tuesday | Thursday 5-30 P.M. | |
| | Fair ... | Thursday | Friday | Sunday 2-30 P.M. | Friday.* |
| | Monsoon | Tuesday | Wednesday | Friday 5-30 P.M. | |
| A. | | | | | |
| This is the one suggested by the British Post Office. | Fair ... | Friday | Saturday | Monday 7 P.M. | Saturday.* |
| | Monsoon | Wednesday | Thursday | Saturday 2-30 P.M. | |
| | Fair ... | Saturday | Sunday | Tuesday 7 P.M. | Sunday.* |
| | Monsoon | Thursday | Friday | Sunday 2-30 P.M. | |

* Or perhaps the previous day, if the present interval allowed for transit between Suez and Alexandria should be shortened.

*From Chamber to Director-General.*

*Calcutta, 21st July* 1879.

The Committee of the Chamber of Commerce direct me to acknowledge the receipt of your letter No. 2472 of 21st of last month, and to inform you, in reply, that copies of it having been circulated among members for their opinions as to the most convenient days for despatch of overland mails from Calcutta, a considerable majority is in favor of Fridays during the fair season and Wednesdays during the monsoon.

This view accords with the arrangement suggested by the British Post Office, and it appears to the Commitee that the combined mails of Calcutta and Madras being more important than those of Bombay alone, the community of the latter Presidency should give way to the other two.

The Committee are not aware whether you have had under consideration, in correspondence with the British Post Office, the question of a fixed day for the departure of mails from Bombay all the year round: the Committee think it would be convenient to all the Presidencies if such an arrangement could be adopted.

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*From Director-General to Post Office, London.*

*Simla, the 22nd August* 1879.

My telegram of the 21st instant copied on the margin * will have informed you of the result of the consideration in this country of the question of the proper date for the departure of the mail Steamers from Bombay under the new contract.

* Your telegram (of) 31st July. India desires a fixed day (of) departure (from) Bombay throughout the year. Friday evening selected. Government concurs.

2. The system of different dates of departure at different seasons has always been found to be a very inconvenient one; and India has submitted to the inconvenience only under the conviction that it was a necessity.

3. The fact that the monsoon allowance in the Time Table to the steamer from Bombay was three days, whereas the corresponding allowance to the steamer from Galle (where all the other eastern mails converge) was only two days, made it impossible for India to claim a fixed date throughout the year without throwing back to an otherwise needless extent the whole eastern mail. But now that the monsoon allowance to the steamer from Bombay is to be reduced to the Galle standard of two days, this special objection will cease to exist. A fixed day of departure from Bombay will be compatible with a fixed day from Galle and all the Australian ports.

4. And I may also mention that especial difficulty was found to exist under the variable date system in meeting the convenience of the several Indian centres of government and commerce under the new arrangement: indeed, no arrangement could be found which did not involve very serious inconvenience.

5. There is no good reason why London should have not merely a fixed Time Table date of departure (which all would concede), but a fixed Time Table date of arrival, seeing that such a result can be accomplished only at excessive inconvenience to India. The time of the arrival of a mail is subject to more or less fluctuation, even when there is a fixed due date, and the alteration of the due date of arrival in London by two days during a portion of the year would not produce nearly the same inconvenience

as is found to result in India from a periodical alteration of the date of departure.

6. And, apart from this, I believe that it is a just principle, while owning the reasonableness of regulating the outward mail from London with primary reference to the convenience of the British public, that the corresponding regulation of the homeward mail from Bombay should have primary reference to the convenience of the Indian public.

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CIRCULAR No. 85.

Copy forwarded to the Secretary, Chamber of Commerce, Calcutta.

A. M. MONTEATH,
*Director-General of the Post Office of India.*

SIMLA :
*The 22nd August* 1879.

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*From Chamber to Director-General of the Post Office of India.*

*Calcutta, 18th September* 1879.

The Committee of the Chamber of Commerce direct me to acknowledge the receipt of your Circular No. 85 of the 22nd ultimo, forwarding copy of your letter, No. 4486 of same date, to the address of the Secretary to the General Post Office, London.

The Committee observe with satisfaction that the Government of India have submitted for the consideration of the British Post Office that, under the new contract with the Peninsular and Oriental Steam Navigation Com-

pany, the mail steamers should take their departure from Bombay on a fixed day throughout the year, in the same way as the outward mail from London is regulated; a proposal which supports the Committee's suggestion submitted in their letter of 21st July, and the adoption of which would relieve the Indian public from inconveniences resulting from a periodical change in arrangements for despatching the mails for Europe.

The Committee notice, however, that the Government concur in your selection of Friday evening as the day and time of departure from Bombay, an arrangement which will no doubt suit the public there as well as at Madras, but it will involve the closing of mails in Calcutta on Tuesday, a very early day in the week, and the compulsory observance of which during monsoon months has been attended with great inconvenience to merchants and bankers here, so much so, indeed, that the Committee request you will permit the matter to receive your further attention.

It appears to them that, in determining an arrangement of this important nature, the magnitude of the business of Calcutta as compared with that of the other Presidency towns should influence the decision that may be arrived at, and that the convenience and requirements of this port should control the postal arrangements of other places of less commercial activity.

The Committee therefore represent that instead of Friday being selected for the departure of the mail steamer from Bombay, that day should be fixed for despatch of mails from Calcutta: it is the closing day here throughout the fair season, and the Committee see no reason why

it should not be the appointed mail day throughout the year.

But if the Government are of opinion that their selection of Friday for Bombay is the best that can be made under all circumstances, then the Committee submit that the time for closing the mail in Calcutta should be extended by 24 hours: they are of opinion that this may be conceded without materially disturbing the arrangements under the mail contract. If the steamer were to start from Bombay on Saturday at noon instead of Friday evening, it would admit of the mails closing in Calcutta on Wednesday evening, Madras on Thursday evening, and Bombay on Friday evening. The Calcutta Wednesday-mail would reach Bombay, as it does now, at about 10-30 on Saturday morning, and there would be ample time for its being put on board the mail packet to admit of her departure not later than 12 o'clock.

While, therefore, Calcutta would gain a day, Bombay would not only have Friday for mail day, as proposed, but also the opportunity of an after-packet, if that accommodation was at any time required.

Another point in favor of this arrangement would be the avoiding several hours detention of the Calcutta mails, which arrive at Bombay at half-past 10 in the morning, but are not sent off till the steamer is ready to start in the evening.

In proposing this latter plan for the consideration of Government, the Committee do not overlook the Saturday departure from Bombay as affecting the mails' arrival in London; but they think too much importance is attached to the delivery of letters a day or two before or after

the Friday despatch from London; in the former case, they can be acknowledged or answered by the outgoing mail; in the latter, there would be a week's leisure for reply.

A fixed day for the departure of mails carrying the correspondence of the whole of British India is as important as a fixed day for the departure of the London mails, and any slight fluctuations in the time of receipt in London or Bombay should be regarded as subordinate in their bearing on the general postal service between the two countries.

In conclusion, I am directed to say that if neither of the alternative plans submitted by the Committee finds favor with the Government as compatible with general public convenience the Chamber would not press for a fixed day throughout the year, as they prefer the arrangement for mail days during the fair season and the monsoon months, namely, on Fridays and Wednesdays, respectively, as already communicated to you, notwithstanding the inconvenience of a periodical change, which would be of less moment than that of having Tuesday for a fixed mail day.

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*From Director-General to Chamber.*

*Simla, the 30th September* 1879.

I have the honor to acknowledge the receipt of your letter of the 18th September 1879, in which objections are raised to the selection of Friday as the day for the departure of the weekly mail steamer from Bombay.

2. I think that it is now too late to re-open the question with reference to the Time Table *of 1880, for*

my telegram to London of the 21st August, intimating the desire for a fixed day and the selection of Friday, was sent in reply to urgent requisitions on the subject from the British Post Office.

3. But as the Time Tables are made out afresh for each year, there will be no difficulty in bringing the views of the Bengal Chamber under consideration in reference to the Time Table of the next year.

4. So far as I am able to judge, the proposal to fix Friday as the day of departure from Calcutta would be very unacceptable in Bombay, where the mail day would thus become Monday, in Madras where it would be Saturday, and in a large portion of the Mofussil where it would be either Saturday or Sunday.

5. And I think also that the alternative proposal of starting the steamers about noon on Saturday would be objected to in Bombay, on the ground of a Saturday forenoon closing in Bombay being a graver inconvenience than a Tuesday evening closing in Calcutta.

6. I shall take steps for ascertaining the extent to which the Saturday departure would practically interfere with Bombay convenience.

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*From Director-General to Chamber.*

*Simla, 20th October.*

*Copy of Telegram.*

Mail departure from Bombay under new contract fixed for Saturday.

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## IMPORTATION AND STORAGE OF INFLAMMABLE OILS.

It will be seen that in June last the Committee of the Chamber suggested to Government the appointment of a special committee of officials, experts, and others, to consider the question of the importation and storage of inflammable oils, and that the suggestion was adopted, and a committee formed. The report of this special committee has not yet been made public.

*From Chamber to Government of Bengal.*

*Calcutta, 6th June* 1879.

The closing paragraphs of the Chamber's letter of 24th February last had reference to the question of the storage of inflammable oils as proposed in Government of Bengal letter of 31st December 1878, and the Committee were informed in reply, under date 1st March, that the Lieutenant-Governor was of opinion that it was necessary to postpone until next session the consideration of a subject which involved some difficulty as to the best method of dealing with it.

The Committee have since then received a copy of a memorial addressed to His Honor the Lieutenant-Governor by some importers of kerosine oil, in which are pointed out the difficulty and hardship the trade in that article is laboring under in consequence of the sudden and unexpected operation of Act 3 of 1865, the restrictive provisions of which render the sale of kerosine oil almost prohibitory.

The memorialists give statistics showing the great increase that has, of late, taken place in the importation of an article of very general use, and they affirm that, as holders of large stocks, they are exposed to serious loss if the restrictions on the sale and delivery of the oil are not removed or relaxed so as to admit of its disposal to dealers, who are virtually prevented from taking it off their hands as trade demands may require.

To alleviate the difficulty and hardship complained of, the memorialists have submitted some suggestions for the Lieutenant-Governor's consideration, and in the Committee's judgment the suggestions are not unreasonable or such as to justify the rejection of the application for relief.

The Committee concur, however, in the opinion that kerosine oil is an article which requires caution in determining the most efficient method of dealing with it, and probably the appointment of a special committee, comprised of official and other experts and some of the principal importers and other merchants and dealers, would not be an undesirable means of having the subject competently discussed and of placing it before the Lieutenant-Governor for His Honor's orders.

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## RESOLUTION.

*Calcutta*, 21*st July* 1879.

READ—A letter, dated the 6th June 1879, from the Secretary to the Bengal Chamber of Commerce, recommending the appointment of a special committee consisting of officials, experts, and other persons interested in the trade in kerosine and other inflammable oils, to

report on the most efficient method of regulating the transport and storage of such oils.

Read also the following papers :—

1. Memorial, dated the 19th May 1879, from Messrs. Balmer, Laurie and Co., and three other mercantile firms in Calcutta, importers and vendors of kerosine oil, complaining of the manner in which the Inflammable Oils' Act (III B.C. of 1865) is being worked by the Calcutta Police.
2. Government letter No. 482, dated the 11th June 1879, to the Commissioner of Police, Calcutta, calling for a report on the above memorial.
3. Reply of the Commissioner of Police, No. 2077, dated the 13th idem.
4. A letter, dated the 24th March 1879, from Messrs. Schroder, Smidt & Co., expressing their intention to erect a godown for the storage of kerosine oil, and enquiring whether it is likely that a Central Government warehouse for kerosine oil will be erected.
5. The reply of Government, No. 263, dated 31st March 1879.

Read further the following papers about the necessity of legislation for regulating the importation of mineral oils :—

1. Letter from the Government of India, Home Department, No. 59, dated the 15th January 1879, forwarding certain papers regarding the dangerous nature of the kerosine oil imported into Bombay, and enquiring whether any accidents or conflagra-

tions have occurred in Bengal traceable to the use of any of the rock or earth oils igniting at a low temperature, which would, in the opinion of this Government, render legislation on the subject necessary or expedient.

2. Endorsement Nos. 82 to 84, dated the 7th February 1879, to the Commissioner of Police, Calcutta, and the Commissioners of the Presidency and Burdwan Divisions, calling for a report and an expression of opinion on the subject.

Replies to the above :—

1. Letter from Commissioner of Police, Calcutta, No. 585, dated the 18th February 1879.
2. Letter from Commissioner of Burdwan, No. 318, dated the 22nd May 1879.
3. Letters from Commissioner of the Presidency Division, Nos. 43JJ and 49JJ, dated respectively the 26th April and 14th May 1879.
4. Government letter to Commissioner of the Presidency Division, No. 511, dated the 20th June 1879.

Read again the following correspondence about the introduction of Act III (B.C.) of 1865 into the Municipality of Howrah.

1. Letter from the Commissioner of Burdwan, No. 498, dated the 22nd August 1878.
2. Letter to the Commissioner of Burdwan, No. 4442, dated 27th September 1878.
3. Letter from the Commissioner of Burdwan, No. 637, dated the 9th November 1878.

4. Letter to the Commissioner of Burdwan, No. 5422, dated the 2nd December 1878, and notification of same date.
5. Letter to the Commissioner of Burdwan, No. 205, dated the 19th March 1879.
6. Letter from the Commissioner of Burdwan, No. 170, dated the 22nd March 1879.
7. Letter to the Commissioner of Burdwan, No. 262, dated the 31st March 1879, and two notifications of same date.

Read again also the correspondence noted below—

1. Letter from the Commissioner of Police, Calcutta, No. 1671, dated the 18th July 1877, submitting the opinion of the Advocate-General as to the construction to be put upon the definition of inflammable oils in Act III (B.C.) of 1865.
2. Reply of Government, No. 3679, dated the 6th August 1877, to the above, requesting the Commissioner of Police to explain clearly how the definition of inflammable oils given in Rule 10 of the Port Rule passed under Section 7 of Act XXII of 1855 interferes with his powers under Act III (B.C.) of 1865, and asking him to consult the Chamber of Commerce as to the necessity of more stringent control.

And the following correspondence about the amendment of the Jute Warehouse Acts:—

1. Letter to the Assistant Secretary to this Government, in the Legislative Department, No. 4455, dated the 28th September 1878.

2. Letter from the Assistant Secretary to this Government, in the Legislative Department, No. 508, dated the 26th November 1878.
3. Letter to the Bengal Chamber of Commerce, No. 5913, dated the 31st December 1878.
4. Letter to the Vice-Chairman of the Port Commissioners, No. 5914, dated 31st December 1878.
5. Letter from the Vice-Chairman of the Port Commissioners, No. 3447, dated the 7th February 1879.
6. Letter from the Chamber of Commerce, dated the 24th February 1879.
7 Letter to the Chamber of Commerce, No. 151, dated the 1st March 1879.

OBSERVATIONS.—The question of regulating the transport and storage of inflammable oils, so as to combine practical security of life and valuable property with the minimum of restrictions on an important and rapidly developing trade, has for some time past engaged the anxious consideration of the Lieutenant-Governor of Bengal, as indicated by the voluminous correspondence detailed above. The following brief outline will show how the question at present stands.

1. In 1877 the Advocate-General gave it as his opinion that all kerosine oil, and not merely such as flashes below 100°F, comes under the definition of inflammable oils in Section I Act III (B.C.) of 1865. This opinion, however, has never been given practical effect to, as it was believed by Government that it was not the intention of the Legislature to make the Act applicable

to any kind of oil which did not emit an inflammable vapour at a temperature limit of 100°F, and as it would have imposed unnecessary restrictions on the storage and transport by land of certain classes of oil which were safe for all practical purposes. It was questioned, however, whether the limit of 100°F was not too low, and accordingly in December 1878, the Port Commissioners and the Chamber of Commerce were asked whether 100°F was not a dangerously low limit for India, and whether the limit might not be raised in connection with the Bill then before the Bengal Legislative Council regarding the safe storage of inflammable articles. The question was at the same time asked whether all mineral oils might not be stored in public warehouses, the cost being covered by a fee.

The Port Commissioners considered the temperature limit too low, and also recommended the construction of a public warehouse at Neemuck Mehal Ghât. The Chamber of Commerce deprecated the proposal to raise the limit, considering that oil which does not throw off an inflammable vapour below and up to 100°F is practically safe, but favoured the idea of Government warehouses if the storage fees were moderate.

By this time, however, the Fire-Brigade and Jute Warehouse Bill was too far advanced to be re-considered, and the Chamber of Commerce were accordingly informed, on the 1st March last, that the difficult question of dealing with inflammable oils must be postponed to the next sesssion.

2. It was reported in the latter part of 1878 that, owing to the restrictions imposed by Act III (B. C.) of

1865 in Calcutta, large quantities of kerosine oil were being stored in Howrah, and it was urged that the Act ought to be extended there also. This was accordingly done, and the Calcutta rules, *mutatis mutandis*, were also made applicable to Howrah.

3. On the 15th January last the Government of India forwarded to this Government certain papers from the Government of Bombay, noticing the dangerous character of the kerosine oil recently imported into that city, some of which flashed at a temperature of 83°F, and asked whether legislation was not needed, as Act XII of 1875, which contains some provisions on the subject, only applied to ports.

Apparently there is no Act in Bombay corresponding to the Bengal Act III of 1865, which, by Section 2, can be extended to all places within the provinces under the Lieutenant-Governor of Bengal, and which, therefore, to some extent, meets the difficulty pointed out by the Government of India. As, however, this Act was already under consideration for the purpose of amendment, and as it was important to ascertain whether its further extension under Section 2 was desirable, reports were called for from the Commissioners of the Burdwan and Presidency Divisions and the Commissioner of Police, Calcutta. The Commissioner of Burdwan reported that no accidents had occurred in his Division attributable to the use of kerosine oil igniting at low temperatures. The Commissioner of Police, writing on the 18th February last, also reports that no accidents had occurred in Calcutta. The Commissioner of the Presidency Division, however, reporting on the 26th April last, stated that some

accidents due to kerosine oil igniting at a low temperature had occurred at Moorshedabad; that the demand for the oil was daily increasing; that it seemed probable, therefore, that oil of a dangerous character would find its way into the market, and that legislation was very necessary. He also forwarded a letter from the Magistrate of the 24-Pergunnahs strongly contending for the same conclusion. As both the Commissioner and the Magistrate made no allusion to the existing Act, but recommended legislation generally, it is possible that they overlooked it. Soon afterwards the Commissioner reported in continuation that out of six specimens of oil sent to the Chemical Examiner four flashed below 95°F.

4. The importance of taking sufficient precautions with reference to the inferior quality of oils that were being imported was further impressed upon the Government by the event of the 24th April last, on which day a serious explosion occurred in the river on board two out of six cargo-boats conveying kerosine oil from two American ships at Neemuck Mehal Ghât *through the port* to godowns near the Chitpore Canal. The fire was a most serious one, lasting three or four hours; and had it not been for the fortunate concurrance of a southerly wind with an ebb-tide, the consequence might have been very disastrous. As it was, the sheet of flame was driven down the river and to the north shore. The ghâts and buildings of the Botanical Gardens were in serious danger. Dr. King, the Superintendent of the Gardens, reported that the jetty at his house was on fire three times, and he only saved his office by bringing all his men to keep

down the fire. Two boatmen were missing, and two or three others were badly burnt.

This disaster led to a recommendation by the Port Commissioners to amend Port Rules 12 and 14;—Rule 12 by raising the limit from 100° to 120°F, and by fixing Budge-Budge instead of Metiabrooj as the limit above which ships with inflammable oils on board may not come; and Rule 14 by substituting the ferry-ghât at Budge-Budge for the Neemuck Mehal Ghât as the landing place for such oils. This subject is under consideration in the Marine Department of this Government.

5. On the 14th of March last the Commissioner of Police, Calcutta, reported that a large quantity of kerosine oil flashing at 93°F, consigned to Messrs. Balmer, Laurie and Co., was being stored in Howrah. On the 27th of the same month he reported that a portion of the oil had found its way into Calcutta, and that prosecutions had been instituted against six persons for storing them in premises which were in no way secured, and convictions obtained. Messrs. Balmer, Laurie and Co., and other importers, on the other hand, complained of these proceedings of the police as being unnecessary. In their memorial they notice the rapid growth of the trade from 211,000 gallons imported in 1875-76 to 969,000 in 1877-78, and 1,185,000 in about eleven months of 1878-79, but deny that any oils flashing at a temperature below 100°F. have been imported by them. This, however, is contrary to the information which has reached Government from other sources above mentioned. This information leads to the inference that the greater demand for the oil has led to the recent importation of cheaper and more dangerous oils.

The Chamber of Commerce, with reference to the facts related above, have addressed the Lieutenant-Governor, and suggested the appointment of a Committee composed of officials, experts, and gentlemen interested in the trade, for the purpose of considering the question in all its bearings, and advising Government as to the action which it is requisite to take in the public interests.

This recommendation appears to be well-timed, and the Lieutenant-Governor considers it very expedient that the whole subject should be considered by a Committee constituted as suggested by the Chamber of Commerce.

*Resolved* :—That a Committee composed of the gentlemen named below be appointed, and that copies of all the correspondence quoted in the preamble be laid before them for consideration and report, with special reference to the questions raised in the correspondence as above noticed :—

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|---|---|
| 1. Mr. F. B. Peacock, Commissioner of the Presidency Division. | President. |
| 2. Mr. J. D. Maclean, Collector of Customs. | Members. |
| 3. Mr. J. N. Stuart, of Messrs. Balmer, Lawrie & Co. | |
| 4. Mr. J. Lambert, Deputy Commissioner of Police, Calcutta. | |
| 5. Mr. W. D. Bruce, Vice-Chairman of the Port Commissioners. | |
| 6. Mr. C. J. Brookes, Master of the Calcutta Trades' Association. | |
| 7. Mr. C. H. Wood, Chemical Examiner. | |
| 8. Mr. A. Pedler, Professor of Chemistry, Presidency College. | |

ORDER :—Ordered that a copy of this Resolution, together with copies of the papers quoted in the preamble, be forwarded to the Commissioner of the Presidency

Division, with a request that he will arrange for the meeting of the Committee as early as possible.

Ordered also that copies of the Resolution be forwarded to the other members of the Committee for information and guidance, and that the Resolution be published in the *Calcutta Gazette.*

By order of the Lieutenant-Governor of Bengal,

H. L. HARRISON,
*Offg. Secretary to the Govt. of Bengal.*

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No. 592.

Copy of the Resolution forwarded to the Secretary to the Chamber of Commerce, for the information of the Committee of the Chamber.

By order of the Lieutenant-Governor of Bengal,

RAJENDRA NATH MITRA,
*Asst. Secy. to the Govt. of Bengal.*

CALCUTTA,
*The 21st July* 1879.

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## DOORGA POOJAH HOLIDAYS.

In the last report it was stated that the Committee appointed by Government to enquire into the subject of the Doorga Poojah Holidays had, by a majority, recommended their curtailment from twelve days to four. It will be seen from the letter of 4th October that the Supreme Government, to whom the question was referred, have

accepted the recommendations of the majority of the Committee, with effect from this year. This, from the merchants' point of view, is satisfactory ; and if in some cases the curtailment inflicts some hardship on native employés in mercantile offices, who have been accustomed to go to their homes at that season, arrangements will no doubt be made to extend the period of leave in deserving cases.

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*From Chamber to Government of Bengal.*

*Calcutta, 23rd August* 1879.

On the 27th of November last I had the honor to submit for the consideration of Government the views of the Chamber of Commerce on the subject of the long vacation observed at the time of the Hindoo festival of Doorga Poojah.

Although no reply has been received to that communication, the Committee of the Chamber have understood that the subject of their representation has been referred to a Committee appointed to enquire into the subject and a report thereon submitted to Government.

As the usual period for the Doorga Poojah holidays is not far distant, and as it would be convenient to the commercial public to know what arrangements have been sanctioned, I am directed to request you will do the Committee of the Chamber the favor of acquainting them with the orders which His Honor the Lieutenant-Governor may have passed.

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*From Government of Bengal to Chamber.*

*Dated Calcutta, 13th September* 1879.

I am directed to acknowledge the receipt of your letter, dated the 23rd ultimo, and, in reply, to state for the information of the Chamber of Commerce that the question of reducing the period now allowed as a public holiday at the time of the Doorga Poojah, has been referred by the Lieutenant-Governor for the decision of the Government of India.

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*The 30th September* 1879.

In continuation of my No. 3817, dated the 13th instant, I am directed to say that His Excellency the Governor-General in Council has decided that there shall be no alteration this year in the length of the Doorga Poojah vacation, which will last for 12 days as hitherto.

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*From Govt. of India to Govt. of Bengal.*

*Simla, 4th October* 1879.

I am directed to acknowledge the receipt of your letter No. 3809, dated 12th September 1879, upon the subject of the number of holidays to be allowed annually in Bengal on the occasion of the Durgá and Lukhshmi Púják.

2. From the history of these holidays recited in your letter, there appears to be a conflict of opinion upon this subject between Hindu society and the mercantile community, who have repeatedly represented the serious injury caused to commercial interests of Calcutta by the more or

less complete periodical interruption of business during so long a period as twelve consecutive days.

3. It seems to be universally admitted that not more than four close holidays are really required for the religious observances of orthodox Hindus in Bengal on the occasion of the Durgá Pújá. This conclusion is in accordance with that constantly arrived at on former occasions when the question has been discussed, and it is thus stated in your letter now under acknowledgment :—

"The curtailment of the holidays proposed by the majority of the Committee will not interfere with any *bonâ fide* religious prejudices of the Hindu community. Any shortening of the vacation may prevent social ceremonies, visits home, and the enjoyment of the rest and recreation of a holiday ; but when the question of opening the Custom House was discussed in 1874 to 1876, it was clearly decided that five days are all that are necessary for the purely religious observances of Hindus during the Durgá and Lakhsmi Pújás ; and this decision must be considered applicable to the Hindu clerks in all other offices."

The practice in other parts of India corresponds with this conclusion ; and it is clear that no questions of a religious character are really involved.

4. The majority of the Committee appointed by the Government of Bengal recommend—

"(1) that only the four days required for strictly religious purposes be close holidays ;

"(2) that if the fourth religious day fall on Friday, the offices shall not re-open until the following Monday;

"(3) that the Public Debt Office, the Treasury, the Currency Office, the Money Order Office, the Stamp Office, and all the Pay Offices be closed on these four days only; but that in other Government offices, the Heads of Departments should have discretion to give leave to their subordinates for the whole or any part of the twelve days, provided the current work of their offices is carried on."

5. The Government of Bengal, however, comes to the conclusion that, on the whole—

"the inconvenience and loss which the mercantile community suffer from the existing state of things, great and vexatious as they are, cannot be remedied without inflicting a still more serious hardship on a far more numerous, though less, influential portion of the community."

The Local Government, therefore, does not recommend any alteration in the present holiday.

6. The Governor-General in Council cannot concur in this conclusion. The whole burden of proof lies upon those who allege that the interests of even a large majority of the community require the infliction of serious inconvenience and loss upon the minority. In the present case it is admitted that the most orthodox Hindu does not absolutely require more than four holidays for the religious observances of the Durgá Púját; the other eight days are really prized because they give an opportunity for rest, refreshment, and family gatherings, the usefulness of which the Governor-General in Council is far from undervaluing; but these objects can be suffi-

ciently attained in Government offices by a free concession to ministerial officers of the periodical leave to which they are entitled by rule, and which they may properly be encouraged to take. The Government would not be justified, by such considerations, in continuing to impose upon the commerce of the Port of Calcutta restrictions and inconveniences which are believed by those interested to cause serious loss.

7. The Governor-General in Council therefore accepts the recommendations of the majority of the Committee as quoted in the 4th paragraph of this letter; and, with effect from next year, the public holidays on the occasion of the Durgá Púját should be regulated accordingly.

## PROPOSED EXTENSION OF THE VALUE-PAYABLE SYSTEM TO GOODS TRANSMITTED BY RAILWAY.

The correspondence on this subject will inform the Chamber that the Director-General of the Post Office has, for the present, abandoned his proposal to extend the *value-payable* system to railway goods traffic. The Committee thought the plan would probably answer, if the charge for collecting the value of goods so transmitted was moderate, and suggested ½ per cent. as a sufficient rate instead of 2 per cent. as proposed by the Director-General.

*From Director-General to Chamber.*

*Simla, 27th June* 1879.

I would like to have the benefit of advice in the following matter :—

2. I have it in contemplation to make the value-payable system applicable to goods transmitted by Railway: the object being to enable the consignor to make the delivery dependent upon the payment by the consignee to the Post Office at the delivery station of the value of the goods.

3. The plan would be somewhat as follows :—

(1.) The consignor who wishes to take advantage of the system would address the goods to the consignee, care of "the Post Office."

(2.) The consignor would make over the Railway receipt to the Post Office with indication of the value to be realized.

The Post Office would transmit this receipt to the office of destination, but would not deliver it to the consignee until the latter had paid the value. On receipt of payment, the Post Office would hand the receipt to the consignee who would then be able to claim the goods from the Railway.

(3.) The Post Office would pay at the place of origin to the sender the value so recovered less 2 per cent. commission.

4. For the working of this system, the Railway would require to see that goods addressed "care of Post Office" were not delivered without production of the receipt. In other respects, I do not think that the Railway would have to

take any cognizance of the arrangement. It would be an arrangement between the consignor and the Post Office. Similarly the Post Office would have no concern with the goods: but merely with the custody of the receipt and with the duty of delivering it to the consignee on payment by him of the value.

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*From Chamber to Director-General.*
*Calcutta, 28th July* 1879.

The Committee of the Chamber of Commerce have had under consideration your memorandum of the 27th of last month as to the application of the value-payable system to goods transmitted by Railway; and I am directed to state in reply, that in the Committee's judgment the proposed system is not likely to be made use of to any extent, unless the charge for commission is materially reduced. A commission of 2 per cent. is considered excessive; but if it were reduced to 8 annas per cent. it is probable that the system would be largely availed of.

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*From Director-General to Chamber.*
*Simla, 2nd September* 1879.

Dated 28th July 1879.

Referring to your communication noted on the margin, I have the honor to annex copy of a further memorandum on the subject of the application of the "value-payable" system to railway goods traffic.

In a memorandum, dated the 27th June 1879, I gave a brief description of a plan under which I thought that the value-payable system might be applied to goods

transmitted by Railway: the Post Office undertaking at the instance of the consignor to deliver to the addressee the Railway receipt after recovering from him the value of the goods, and the Railway undertaking not to deliver the goods without production of the receipt. The addressee having obtained the receipt from the Post Office would take delivery of the goods in the usual way direct from the Railway, and the Post Office having received from him the value would remit it to the consignor (less 2 per cent. commission).

I distributed copies of the memorandum to the public bodies mentioned on the margin requesting the favor of expressions of opinion. The opinions given may be summarized as follows:—

Agency, East Indian Railway Calcutta, Chamber of Commerce Bengal—do—Bombay —do—Madras.

The Agent, East Indian Railway remarks that the matter is not one in which the Railway Company would have any immediate concern, as they would only deliver goods to the consignee or his order on production of the Railway receipt and payment of all charges. But he regards the system as one likely to enhance delay in taking delivery of goods, thereby causing obstruction to the course of railway business and giving rise possibly to disputes about demurrage. He further considers that no regular traffic could bear the 2 per cent. commission charge (for collection and remittance of value) and that few consignees would care to pay an enhanced rate in advance for goods which might turn out to be not in accordance with order.

The Bengal Chamber of Commerce considers that the proposed system is not likely to be made use of to any extent unless the charge for commission were to be materially reduced. If it were reduced to ½ per cent, the Chamber thinks it probable that the system would be largely availed of.

The Bombay Chamber of Commerce intimates approval of the plan but apprehends inconvenience from the divided responsibility of the Railway Companies and the Post Office. A suggestion is accordingly made that the Post Office should, on realization of the value, undertake the delivery of the goods to the consignee instead of merely giving him the Railway receipt and leaving him to take delivery himself.

The Madras Chamber of Commerce is not prepared to say that the scheme might not serve the convenience of tradesmen, but raises the question of the desirability of Government undertaking work which private traders would probably do better for themselves and which would probably give rise to Government responsibility for lost or damaged goods.

3. The risk referred to by the Madras Chamber could, in my opinion, be easily avoided : but there is probably force in the anticipation of the East Indian Railway Agency about the practical delay of delivery.

4. It seems also to be doubtful whether the plan would be practically useful without either a large reduction of the proposed rate of commission, or the acceptance by the Post Office of work and responsibility in connection with the delivery of the goods.

I am not therefore (for the present at all events) prepared to go on with the scheme.

## ABSTRACT OF ACCOUNTS OF THE DEPARTMENT OF ISSUE OF PAPER CURRENCY.

An alteration in the form in which the Abstract of Accounts of the Department of Issue of Paper Currency had been published in the *Gazette of India*, since its introduction nearly 20 years ago, led to the following representation by the Committee, which fully explains their reasons for desiring that the detailed returns hitherto given should be continued in lieu of the condensed abstract which appeared last August. The Governor-General in Council was of opinion that the latter conformed precisely to the requirements of the law and contained all the information of public interest and importance; but in compliance with the Committee's request, His Excellency was pleased to direct the publication as previously observed.

*From Chamber to Government of India.*

*Calcutta, 23rd August* 1879.

The Committee of the Chamber of Commerce desire me to submit for the consideration of His Excellency the Governor-General in Council the following representation regarding the change that has been made in the monthly

Abstract of the Accounts of the Department of Issue of Paper Currency.

In the *Gazette of India* of the 19th of last month, the Abstract for the month ending 30th June 1879 was published according to the form which, the Committee believe, has been observed since Act 19 of 1861 came into operation: but in the *Gazette* of the 16th instant the Abstract for the month of July appears in a form which excludes the usual returns of each circle of issue, and gives only the aggregate of circulation and corresponding reserve in coin, bullion, and Government securities.

The Committee are aware that the statement last published is strictly in accordance with the 23rd Section of Act 3 of 1871; but they are, at the same time, not unmindful that it is a departure from the wise provision made by the eminent minister by whom the Paper Currency system was introduced into the financial policy of the country, and they are of opinion that strong reasons are required to justify a change in arrangements sanctioned by his high authority.

In a minute on the despatch of the Secretary of State respecting the Paper Currency, dated the 25th December 1859, the Right Honorable James Wilson, while minutely detailing the plan of the proposed measure, wrote as follows:—

"33. On this part of the subject it is only necessary to add that I would, by enactment, provide for a monthly publication in the *Gazette* of the amount of notes in circulation by each branch, with an aggregate of the whole; also of the amount of coin and bullion held by each branch, with an aggregate of the whole; and of

the amount of securities held by the Commissioners in Calcutta, Bombay and Madras, respectively, on account of the branches, and the aggregate of the whole, in a form to be given in the Schedule of the Act. Such a return would have a great effect in creating a confidence in the system."

In the judgment of the Committee, the wisdom and prudence of giving the fullest information in connection with a great financial reform like the Paper Currency of the Government of India have been amply confirmed, and the development of the scheme into the dimensions to which it has gradually expanded has unquestionably been materially aided by the periodical publication of returns of the operations of that Department.

To withdraw the detailed information which was sanctioned on the ground of securing public confidence in the administration of so valuable a branch of the imperial service appears to the Committee of the Chamber a step of a seriously retrograde character, inasmuch as it not only bars the public from possessing means of testing the relative importance of the trade and wealth of the several Presidencies, and of comparing the circulation which each requires, but the discontinuance of the details hitherto given is open to objection as likely to impair that confidence to which the Government stands so largely indebted for the successful results thus far attained: and it would be a disadvantage to the State if its currency system were exposed to the danger of being publicly regarded as deficient in precautions essential to its intrinsic soundness.

To remove any impression that may be unfavorable to that system, and to guard against any results injurious to

the credit of the country, the publication of the returns as hitherto given to the public appears to the Committee a measure of primary importance and necessity ; and they respectfully suggest for the consideration of His Excellency the Governor-General in Council, that the practice which has been observed for nearly 20 years be promptly reverted to.

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*From Government of India to Chamber.*

*Simla, 17th September* 1879.

I am directed to acknowledge the receipt of your letter dated 23rd August 1879, and to say that, in compliance with the request of the Committee of the Bengal Chamber of Commerce, the Governor-General in Council will order the publication of the monthly abstract of the accounts of the Department of issue of Paper Currency in the details heretofore supplied, and to which they consider so much public importance to attach.

2. The change to which exception has been taken was made because the Governor-General in Council preferred to conform precisely to the requirements of the law in these matters, and because the condensed abstract seemed to His Excellency in Council to contain all the information that is of public interest or importance.

3. The Governor-General in Council believes that no more information than is comprised in that abstract is published by the Banks of England and France and other Banks which issue notes. Such Banks do not consider the details of the notes issued from their branches of sufficient public interest for publication.

4. Whatever may have been the motive of the Government in originally publishing the details of each circle, the Governor-General in Council does not consider that the publication of such details contributes in any way whatever to the public confidence which is now justly established in the Indian Paper Currency, and His Excellency in Council would have had no apprehension whatever of any loss of that confidence following upon the Government ceasing to publish those details.

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*From Chamber to Government of India.*

*Calcutta, 23rd September* 1879.

The Committee of the Chamber direct me to acknowledge the receipt of your letter No. 2802 of the 17th instant, informing them that the Governor-General in Council has been pleased, in compliance with their request, to order the publication of the monthly abstract of the Accounts of the Department of Issue of Paper Currency in the details heretofore supplied.

The Committee are grateful to His Excellency for this concession, and desire me to convey their respectful acknowledgment of it.

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## EFFECT OF RAILWAY FREIGHT ON THE TRADE IN WHEAT AHD OIL SEEDS.

The reference by Government on this subject was replied to by the Committee to the effect that any material reduction in the charge for carrying wheat and oil seeds by railway would

encourage the export trade in those articles, but that the reduction should be so made as to enable the railway to compete successfully with river traffic and without sacrifice of public revenue.

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*From Government of India to Chamber.*

*Calcutta, 16th June 1879.*

I am directed to transmit copy of a Circular by this Department No. 253C to 255C, dated the 16th instant, on the subject of the effect of the railway rates of freight for wheat and oilseeds on export of these goods to Europe, and to state that the Government of India will esteem it a favor if the Chamber of Commerce would be good enough to obtain for the Government of India, from merchants dealing largely in such goods, periodical information (say once a quarter) as to their wholesale prices, and their views as to the effect of the railway rates on the trade.

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The Governor-General in Council is desirous that the effect of the railway rates of freight for wheat and oilseeds on export of these articles to Europe should be carefully watched and reported upon, and I am, with this object in view, directed to request that, with the permission of His Honor the Lieutenant-Governor, arrangements may be made for the transmission to this Department at Calcutta of a monthly statement showing the average wholesale price per 100 maunds prevailing for wheat, linseed, rapeseed, poppyseed, and teel or gingile seed, at each of the large marts whence these goods are

generally sent by rail to the ports of shipment. The first return should be for the current month of June.

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*From Chamber to Government of India.*

*Calcutta, 7th July* 1879.

The Committee of the Chamber of Commerce direct me to acknowledge the receipt of your letter No. 262 of the 16th ultimo, on the subject of the effect of railway rates of freight for wheat and oilseeds on the export of those articles to Europe, and of their wholesale prices.

With regard to the latter point I am to state that the Chamber's fortnightly Price Current gives the most reliable and independent quotations, and will prove a sufficient guide for your purpose.

With respect to the effect of railway freight on wheat and oilseeds, the Committee are of opinion that, although the present rates are not excessive, any material reduction of the charge would encourage the export trade in these articles. If the rates are high they will necessarily check the trade or direct it into the slower but less expensive channels of boat traffic. About the time when the rivers begin to rise, a very considerable portion of the trade is carried by water, part of which might be secured by the railway if timely reduction of rates were made, as the competition between rail and boat carriage would most probably favor the former means of transit.

On the other hand, if competition with traffic by water proved unsuccessful, the reduced rates would affect railway receipts, and it would be for the consideration of Govern-

ment whether in the present condition of the finances of the country the risk of loss of revenue should be incurred.

In order, however, that contracts may be affected as as lightly as possible, the Railway Company should give ample notice of any intended change in their freight tariff so as to avert the inconvenient results of fluctuating charges.

If the enquiry of the Government has been induced by the large falling off in the exports of wheat and oilseeds during the past two seasons, the answer is, that such deficiency has been caused by a partial failure of the crops of both kinds of produce and by the high prices that have, in consequence of the scarcity, been ruling throughout the country for both seeds and food grains.

## VESSELS LEAVING DURING STRONG SPRING TIDES.

The attention of members who are interested as agents, exporters of cargo, or underwriters, is specially drawn to the following warning communication from the Port Officer regarding vessels leaving the harbour when strong spring tides and freshets during the S.-W. monsoon expose them to unusual risks, which may be prudently avoided by reference to the Port Officer, whose experience and judgment might be sought with advantage.

*From the Port Officer to Chamber.*

*Calcutta, 19th September* 1879.

In view of the accident to the "Algitha" which has so nearly had a fatal termination, I feel it to be my duty to bring to the notice of the Chamber of Commerce, chiefly as comprising among its members the leading insurance agents, the very serious extra risks run by ships leaving this Port during springs while the freshes are in the river. No doubt many members and most masters of vessels are well aware of the risk run, but it is right that it should be brought to the notice of all interested in a prominent manner.

2. The feeling of the Pilot Service appears to be that ships should be altogether debarred from leaving at such times, especially during such full springs as the last. This has been done in the case of vessels carrying emigrants.

3. Although I should not feel justified in adopting to the full extent such a change in the working of the Port, the new rules will leave it to the discretion of the pilot not to proceed at such times, if thought by him too hazardous, until after special reference to the Port Officer.

4. There is of course a great difference in ships; a handy powerful steamer, with steam steering gear, can proceed safely at a time when an unhandy, sluggish vessel, with hand steering gear, is utterly unmanageable. Clearly also much depends on whether the springs happen at the moon's perigee.

5. In the event of it being considered absolutely necessary for certain ships to leave, the advice of this office

might be sought with advantage in each case, as it is hardly fair to the pilots to put on them the entire onus of refusing to proceed.

## PROPOSAL TO IMPROVE AND EXTEND THE STORM SIGNAL SERVICE.

Members will observe with satisfaction that endeavours are being made by the Meteorological Department to improve and extend the storm-signal service for the protection of this Port, and the Committee hope that the proposals submitted for the consideration of the Government of India will be sanctioned.

*From Govt. of Bengal to Chamber.*

*Calcutta, 9th July* 1879.

In forwarding a copy of the correspondence noted on the margin* relative to the improvement and extension of the storm signal service established for the protection of the Port of Calcutta, I am directed to enquire what number of firms would subscribe to a daily issue of the weather reports and charts if these are lithographed and issued as suggested by Mr. Eliot and Mr. Blanford.

* Letter from the Meteorological Reporter, to the Government of Bengal, No. 205, dated 21st May 1879.
Letter from the Meteorological Reporter, to the Government of India, No. 552, dated 25th June 1879.
Letter to the Secretary to the Government of India, Department of Revenue Agriculture and Commerce, No. $\frac{142}{144}$ miscellaneous, dated 9th July 1879.

*From* J. ELIOT, ESQ., *Meteorological Reporter, to the Government of Bengal, to the Secretary to the Government of Bengal, General Department,—No.* 205, *dated Calcutta, the* 21*st May* 1879.

I have the honor to submit the following proposals for the improvement and extension of the storm signal service established some years ago for the protection of the Port of Calcutta.

2. The principal reasons I would urge for the adoption of the proposals are :—

1*st*.—That the present system is very defective. The Bengal Meteorological Office at the present time receives daily telegrams from only six stations around the coast of the Bay. They are too few in number to give more than a rough approximation of the character of the weather round the coast outline and fail to localize any except the major cyclonic disturbances.

2*nd*.—The service is unnecessarily slow. By the orders of Government these weather telegrams are accorded "precedence," and therefore ought to arrive within a few minutes after observation. As a matter of fact the few telegrams the Bengal Meteorological Office each day receives are frequently not all delivered until late in the afternoon. The delay appears to arise partly from the indolence and carelessness of the Observers, but partly, so far as I can judge, from delays in transmission not warranted in the case of "precedence" telegrams.

3*rd*.—The cost of this telegraphic service has been reduced very considerably during the past year by the adoption of a telegraphic code for the trans-

mission of the weather telegrams. I have not figures at hand giving the actual reduction in cost, but, estimating roughly, the annual charge of the present service has been reduced from about Rs. 15,000 to about Rs. 3,000. A portion of the savings might, I venture to suggest, be appropriately applied to the improvement and extension of the service. The object of the proposal is to publish at the earliest possible time every-day observations taken at the coast stations of the Bay of Bengal for the information of the Port Officers, Port Commissioners, shipping interest of Calcutta, and to utilize the information when necessary for the hoisting of storm signals for the protection of the shipping in the Hooghly.

3. I would suggest that the following meteorological stations around the Bay should send daily "precedence" telegrams at 10 A.M., *viz.*:—

Saugor Island, False Point, Vizagapatam, Masulipatam, Madras, Negapatam, Trincomally, Galle, Diamond Island, Akyab, Chittagong, Dacca;

and also that the Port Officers and Master Attendants at the following stations be requested to forward daily telegrams of the readings of the barometer, wind direction, wind velocity, and rainfall:—

Balasore, Ganjam, Coconada.

These would give a daily service of 15 stations and would furnish a fairly complete view of the meteorology of the Coast of the Bay, and afford more satisfactory data for inferring the general state of the weather in the Bay itself than is possible at present.

4. With a view to the rapid preparation of the weather report I would suggest that these 15 stations should be permitted to send the weather telegrams as at present "precedence." As under the new arrangements just completed, the Bengal Meteorological Office will be in direct telegraphic communication with the Calcutta Head Telegraph Office, the whole of these 15 telegrams should be received at the Bengal Meteorological Office before noon. The reduction of the observations would not require more than an hour, and hence the returns would be ready for publication by 1 P.M. at the latest.

5. At present the reduced observations are sent in written forms to the various newspapers and to the interested Port Officers about 6 P.M. I should suggest that the observations should be lithographed, and, if necessary, a few brief remarks added daily, summarizing the weather and the changes in the weather over the coast and the probable weather in the Bay. This could easily be effected when the lithographic presses which are being prepared for the publication of the daily weather reports of the Meteorological Reporter to the Government of India have been received. The presses at the Calcutta Office will be absolutely idle during six months of the year, *i. e.*, from April to October, as during that period the reports will be published at Simla. A very slight additional expense (for the working of the lithographic presses in Calcutta during the Simla season) will enable the Bengal Meteorological Office to issue lithographed copies of the morning's observations at the selected stations, with a brief summary, not later than 3 P. M.

6. I shall also suggest as a further development of the storm signal service, and as almost essential in the present state of meteorology, the daily publication of a chart of the Bay of Bengal, embodying in some form to be selected the day's observations in a graphic manner. The charts would be immediately intelligible to a much larger number of people than the mere observations would be.

7. The last extension, although desirable is, however, not necessary. The two former, *viz.*, the extension of the service to 15 stations and the rapid publication of the reports for general information. I, however, consider to be absolutely necessary; and I beg to urge the Government of Bengal to sanction the present proposals, or any modified form of them which will secure the rapid publication of more complete meteorological data of the weather of the Bay than is possible under the present system.

8. If the proposals meet with the sanction of Government I shall submit in detail the additional cost for the extended service. It will, however, be much less than the annual savings effected by the introduction of the telegraphic code.

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No. 1270—111 M.

FORWARDED to the Meteorological Reporter to the Government of India, for the favor of an expression of his opinion on Mr. Eliot's proposals.

By order of the Lieutenant-Governor of Bengal,

C. W. BOLTON,

*Under-Secy. to the Government of Bengal.*

CALCUTTA,

REVENUE DEPT.—*Mis. Revenue,*

*The 6th June 1879.*

*From* H.F. BLANFORD, ESQ., *Meteorological Reporter to the Government of India, to the Secretary to the Government of Bengal, General Department,—No.* 552, *dated Calcutta, the* 25*th June* 1879.

I have the honor to submit, for the information of the Lieutenant-Governor, the following remarks on Mr. Eliot's proposals for the improvement of the storm-warning system communicated to me for report under your endorsement, No. 1270—111Mis., dated the 6th instant.

2. Mr. Eliot's proposals are four-fold :—

1*st.*—To increase the number of stations from which telegraphic reports of the weather are transmitted daily to Calcutta Office from six to fifteen.

2*nd.*—To expedite their despatch by giving them priority of transmission as 'precedence telegrams.'

3*rd.*—To expedite publication by lithographing the daily reports issued from the Calcutta Office.

4*th.*—To supplement the daily weather reports by a weather chart of the Bay of Bengal, also to be lithographed in the Office.

3. To the first and second of these proposals, I give my unqualified support. It is abundantly supported by experience that telegraphic reports from the six stations originally established for the purpose of the storm-warning system are insufficient to afford information respecting the state of the weather around the coasts, from which a trustworthy inference may be drawn as to the state of the weather in the Bay. With our present greatly advanced knowledge of the premonitory indications of storms, it seems possible to frame conclusions

not only as to the existence of cyclonic disturbance in the Bay, but also to a certain extent as to that part of the coast which is most threatened by the storm; but in order to apply this knowledge, it is necessary to obtain reports, more especially of the barometer readings and the directions and strength of the wind, and I may add the state of the sea, from stations at much shorter intervals than on those which at present report. The stations selected by Mr. Eliot are well situated for furnishing this information; and since it is proposed to entrust the duty of reporting to the Port Officers at those stations at which no regular meteorological observatory exists, the extension of the system will involve only the cost of nine additional telegrams—an expense which is only nominal. The Port Officer should of course be furnished with barometers verified at the Calcutta Observatory, preferentially those constructed on the Kew principle, which require no cistern adjustment. These can be furnished from the stores of the office.

4. The necessity of according 'precedence' and insisting on the due observance of prompt despatch, is obvious. Any supposed neglect on the part of the Electric Telegraph Masters to observe this rule should be reported to the Electric Telegraph Department.

5. The third and fourth proposals made by Mr. Eliot cannot be carried out until the lithographic presses now being constructed in England shall have arrived. Whenever the proposed scheme for issuing a daily weather chart of the whole of India shall be carried into effect, there will be no difficulty in lithographing also the Calcutta weather reports and a chart of the Bay as proposed by

Mr. Eliot, and some little saving in office labor will be gained thereby, as well as despatch in the issue of the reports; but the existing financial circumstances having rendered it necessary to defer the execution of this part of the scheme of general weather reports, the press establishment that will be required for working the press for the storm-warning system would have to be specially provided; at all events, for the present. The number of copies of the report at present issued is so small, as in my opinion hardly to make it worth while to entertain a printing establishment for this purpose alone; and before it is sanctioned, I should recommend that enquiries be made through the Chamber of Commerce and the Trades' Association, whether, in the event of such publication, a sufficient number of copies would be subscribed for by commercial and trading firms and others, to cover in some measure the expense of printing and distributing the reports by a sufficient establishment of peons; such a subscription need not be large. The press establishment and contingent expenses may be put at Rs. 50 per month as a maximum, and two or three peons for distributing would bring the total up to about Rs. 70 per month. Thirty-five subscribers at Rs. 2 per month would cover this outlay.

6. There are two additions which I should desire to make to Mr. Eliot's proposals—one, with a view to increasing the effectiveness of the system, the other, to increase its utility. These are to empower the Meteorological Reporter, in the case of threatening weather being reported from any part of the coasts, to call for additional reports from any station at such

intervals as may appear desirable. These reports to be paid for, but to have precedence over other messages. The second is that in case he shall consider the approach of a storm to any part of the coasts probable, he shall be empowered to telegraph a warning to any port or ports there situated, whether in this or another Presidency. Now that a telegraph line is laid between the Meteorological Office and Electric Telegraph Office, the Meteorological Reporter is, or will be, in a position to exercise a *regime* over the whole coast of the Bay from Diamond Island to Ceylon, and he alone can form a just opinion of storm probabilities as affecting any part of this coast. Since every part of the coast may derive the benefit of his supervision at no greater trouble or cost than that of transmitting a telegram from the office, it seems desirable that this advantage should not be sacrificed; and as the whole cost of the meteorological system is charged to imperial expenses, no difficulty can arise from financial considerations in connection therewith.

The enclosure of your endorsement under reply is herewith returned.

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*From Govt. of Bengal to Government of India.*

*Calcutta, the 9th July* 1879.

I am directed to submit, for the favourable consideration and orders of the Government of India, the enclosed copies of the letters noted on the margin, relative to the improvement and extention of the storm signal service established for the protection of the Port of Calcutta.

Letter from the Meteorological Reporter, to the Government of Bengal, No. 205, dated 21st May 1879.

Letter from the Meteorological Reporter, to the Government of India, No. 552, dated 25th June 1879.

2. The Bengal Meteorological Office in Calcutta at present receives daily telegraphic reports of the weather from only six stations around the coast of the Bay of Bengal, and Mr. Eliot represents that these are too few in number to indicate more than a rough approximation of the character of the weather round the coast outline and insufficient to fix the locality of any, except the major, cyclonic disturbances. He suggests that the number of reporting stations on the coast should be increased, and proposes that arrangements should be made to supply his office with daily telegraphic reports from the following "Meteorological" stations around the Bay:—

| | | |
|---|---|---|
| Saugor Island, | Madras, | Diamond Island, |
| False Point, | Negapatam, | Akyab, |
| Vizagapatam, | Trinncomally, | Chittagong; |
| Masulipatam, | Galle, | Dacca; |

and that the Port Officers, Master Attendants at Balasore, Ganjam, and Coconada should at the same time be asked to forward to him daily telegrams of the readings of the barometer, the direction, strength, and velocity of the wind, and rain-fall. Mr. Blanford, Meteorological Reporter to the Government of India, who has been consulted on the subject, strongly supports Mr. Eliot's proposal, as calculated to afford fairly complete and satisfactory data for inferring the general state of the weather on the coast and in the Bay itself. The stations selected by Mr. Eliot are, in Mr. Blanford's opinion, well situated for furnishing the requiste information; while the proposal to increase the number of reporting stations is said to involve no further expenditure than the cost of nine additional telegrams daily. The Port Officers at those stations named above, at which no regular Meteorological Observatory

exists, should, Mr. Blanford thinks, be supplied with barometers verified at the Calcutta Observatory, preferentially those constructed on the Kew principle, which require no cistern adjustment, and which can be furnished from the stores of the Meteorological Department.

3. As several of the stations and ports from which the Meteorological Department wishes to receive daily reports lie outside the jurisdiction of this Government, I am to solicit the approval of the Government of India to the arrangements, and to request that, with the permission of his Excellency the Governor-General in Council, the other local Governments and Administrations concerned may be directed to allow the Meteorological Reporter for Bengal to place himself in communication with their local officers in order to secure the establishment of the more complete system of reporting now proposed.

4. It will be seen that Mr. Eliot lays much stress on the rapid transmission and delivery of the weather telegrams by giving them priority as "precedence" telegrams. Mr. Eliot complains that, although under the orders of Government such telegrams are now accorded "precedence," they are as a matter of fact frequently not delivered at his office until long after time. The delay is attributed in some measure to neglect in the Telegraph Department; and he asks that steps may be taken to secure the prompt despatch of the weather telegrams from the 15 reporting stations above referred to, by treating them as "precedence" telegrams. Mr. Blanford supports Mr. Eliot's proposal, and it would perhaps have a good effect if the Supreme Government were to call the special

attention of the Director-General of Telegraphs to this matter.

5. Mr. Blanford, while reporting on Mr. Eliot's letter, has made certain additional proposals of his own for increasing the effectiveness and utility of the storm-warning system in Bengal. He proposes to empower the local Meteorological Reporter, in the case of threatening weather being reported from any part of the coast of the Bay of Bengal, to call for additional "precedence" telegraphic reports (to be paid for) from any station, at such intervals as may appear to him desirable; and in case he shall consider the approach of a storm to any part of the coast probable, to telegraph a warning to any port or ports there situated, whether in this or another Presidency. The reasons urged by Mr. Blanford for the adoption of these proposals are set forth in paragraph 6 *seq.* of his letter; and the Lieutenant-Governor thinks the slight additional expense should not stand in the way of such a manifestly useful procedure. Mr. Eliot also makes suggestions for lithographing the daily reports and issuing them more rapidly, and for the preparation of a daily chart of the Bay. With reference to Mr. Blanford's remarks upon these points in paragraph 5 of his letter, the Lieutenant-Governor will cause enquiries to be made as to the amount of public support likely to be accorded to such a special issue.

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*From Chamber to Government of Bengal.*

*Calcutta, 11th August* 1879.

I am directed to acknowledge the receipt of your letter No. $\frac{1419}{128}$ of the 9th July, and to inform you that

the 22 firms whose names are hereto annexed are willing to subscribe for copies of the lithographed weather charts and reports as proposed to be prepared and issued by the Meteorological Department.

The Committee of the Chamber suggest for your consideration that in the event of a sufficient number of subscribers not being found to cover the outlay for the lithographed forms advantage be taken of the Government Telegraph Gazette as a convenient channel for publishing the weather reports, in the same way as the rain-fall returns are given to the public.

## MELBOURNE INTERNATIONAL EXHIBITION.

Mr. T. S. Anderson having obligingly undertaken to act as a Member of the Committee to represent Indian interests at the Melbourne International Exhibition, that gentleman was nominated by the Committee and his services have been accepted by Government.

*From Government of Bengal to Chamber.*

*Calcutta, 29th August* 1879.

I am directed to forward herewith a letter to your address from the Government of India, with its enclosures, and to say that the Lieutenant-Governor will be glad if the Chamber will nominate one of their body to act with Messrs. Buck Gamble, and O'Conor ont he Committee which it is proposed to assemble for the representation of India at the Melbourne International Exhibition.

*From Government of India to Chamber.*

*Simla, the 9th August* 1879.

I am directed to forward for the information of the Chamber of Commerce copy of the papers marginally noted, and to say, with reference to para. 5 of the Resolution of the Government of India, dated the 9th instant, that the Governor-General in Council would be glad if the Chamber would nominate one of their body to act on the Committee which it is proposed to appoint with a view to making the necessary arrangements for the representation of this country at the forthcoming International Exhibition at Melbourne.

Resolution of the Government of India No. $\frac{21}{170}$ 82, dated 9th August 1879, prospectus of the Melbourne Exhibition.

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*From Chamber to Government of Bengal.*

*Calcutta, 23rd September* 1879.

I am directed to acknowledge the receipt of your letter of the 29th ultimo, with its enclosures, and to state for the information of his Honor the Lieutenant-Governor that the Committee of the Chamber have the pleasure to nominate Mr. T. S. Anderson, of Messrs. Anderson Wright & Co., as a member of the Committee proposed to be appointed with the view to making the necessary arrangements for the representation of this country at the International Exhibition to be held at Melbourne next year.

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## CHARGES FOR REGISTRATION OF CARGO BOATS.

Proprietors of cargo-boats having represented to the Committee that the fees payable for registration and licensing were higher than actual expenditure required, the Committee communicated with the Port Commissioners and expressed the opinion that the fees should not exceed the actual cost incurred in that process; but the Commissioners are not in a position to say what reduction in charges can be made until the total annual receipts have been ascertained.

*From Chamber to Port Commissioners.*

*Calcutta, 17th May* 1879.

Messrs. Simpson and Co. and other proprietors of cargo-boats have been in communication with the Committee of the Chamber regarding the rules and orders lately passed for the registration and licensing of cargo-boats in the port of Calcutta.

In the petition presented by them to the Lieutenant-Governor they point out (in paragraph 12) that the fees payable under Rule VI are excessive, and for more than the actual expenditure incurred for the various items included in the schedule of charges.

It appears to the Committee that a charge of 8 annas per ton on tonnage for which license is issued is open to the objection raised by the petitioners; and they are

of opinion that the fees should be so levied as to cover the Commissioners' actual expenditure, and no more.

No doubt the Commissioners have sufficient data on which the scale of fees has been made, and they will much oblige the Committee by placing them in possession of the number and tonnage of licensed boats and the actual cost incurred by the Commissioners in carrying out the provisions of the rule referred to.

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*From Port Commissioners to the Chamber.*

*5th June* 1879.

I am directed to acknowledge the receipt of your letter of the 17th ultimo, regarding the scale of fees charged for licensing cargo-boats, and in reply, to inform you that the letter was considered by the Commissioners at their last meeting, and I beg to forward herewith for the information of the Chamber a copy of the Resolution then passed on the subject.

Copy of a Resolution passed at the 276th meeting of the Commissioners.

*Read*—letter from the Secretary, Bengal Chamber of Commerce regarding the scale of fees charged for licensing cargo-boats.

*Resolved*:—That in reply to his letter of the 17th instant, the Secretary to the Chamber of Commerce be informed that it is not the intention of the Commissioners to levy charges for registration of cargo-boats in excess of what is actually required to do the work and to contribute annually the sum of Rs. 12,000 towards

the cost of the River Police, a contribution which has always been made from this source of income. The average receipts for the three months since the Commissioners took charge are not more than sufficient to cover these charges, but the registration of passenger boats has not yet been taken over, and until this is done, and the Commissioners know what the total annual receipts are likely to be, they will not be in a position to say what reduction it will be possible to make.

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The following Resolutions by the Government of Bengal on the reports submitted by the Port Commissioners and the Port Officer for 1878-79 are here reproduced for convenience of reference.

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## PORT COMMISSIONERS' REPORT FOR 1878-79.

*Calcutta, the 1st August 1879.*

### RESOLUTION.

*Read*:—The Administration Report of the Commissioners for making improvements in the Port of Calcutta, for the year 1878-79.

As in previous years, the Commissioners have divided their report into two parts. In the first part an account is given of the financial position of the Trust constituted under Act V. (B.C.) of 1870 for carrying out works of improvement in the port. The second part deals with the administration of the Harbour Department, which was made over to the Commissioners as Conservators of the port in 1871.

## THE PORT TRUST.

2. The following statement shows the expenditure incurred on account of the Trust from the time of its creation up to the end of the year, and the sources from which the funds have been derived :—

EXPENDITURE.

| | Rs. |
|---|---|
| On jetties and works for the accomodation of sea-going vessels ... ... | 42,42,462 |
| On wharves, &c., for the accommodation of boat traffic, and tramway to connect railways with wharves and jetties ... | 46,29,719 |
| On investments for a Reserve Fund ... | 59,370 |
| Ditto for an Insurance Fund ... | 27,549 |
| Total ... | 89,59,100 |

RECEIPTS.

| | Rs. | Rs. |
|---|---|---|
| Loans from Government ... | 60,25,100 | |
| Less unexpended balance ... | 2,81,555 | |
| | | 57,43,545 |
| Contribution from Government for new road .. ... ... | | 74,584 |
| Revenue ... ... ... | | 27,44,880 |
| Sale of Surplus Land ... ... | | 3,96,091 |
| Total ... | | 89,59,100 |

3. The different loans received from Government for the execution of works have amounted to Rs. 60,25,100, but repayments have been made from time to time, and the outstanding balance is actually Rs. 54,28,567. In

addition to payments on account of capital, the Commissioners have also paid interest on their loans to the amount of Rs. 11,07,197. In compliance with instructions from the Government of India, all the loans were consolidated on the 1st January last, into a single loan repayable in half-yearly instalments in 30 years, with interest at 4½ per cent. It has been further decided that the Commissioners should, henceforth, borrow in the open market, in India and in the Indian currency; and with the view of facilitating such borrowing, the Government of India has consented to give up its prior lien on the property of the Trust, on the condition that a sinking fund is provided for the liquidation of all future loans in thirty years. The orders of the Government of India in this matter having rendered it necessary to amend certain sections of Act V (B.C.) of 1870, a draft Bill to effect the requisite amendments has been submitted to that Government for approval.

4. The net revenue derived from works and lands since the creation of the Trust has been Rs. 34,46,606. From this sum Rs. 26,80,794 have been spent on new works and improvements, Rs. 5,87,653 in the repayment of loans, Rs. 60,000 for the formation of a reserve fund, and Rs. 31,042 for an insurance fund. There was a cash balance of Rs. 87,117 in hand at the end of the year.

5. The amount expended during the year on new works of improvement was Rs. 10,72,040, distributed as follows:—

| | | Rs. |
|---|---|---|
| Accomodation for sea-going vessels | ... | 4,07,427 |
| Works to facilitate inland boat traffic | ... | 3,62,233 |

| | | | |
|---|---|---|---|
| Extension of the tramway | ... | ... | 99,930 |
| New moornings ... | ... | ... | 58,076 |
| Works of general improvement ... | | .. | 1,44,374 |

The expenditure under the first head was chiefly incurred in the extension of three of the jetties, in protecting jetty-heads with sheet piling, in erecting a new jetty, and in rebuilding an old jetty on a new site. For the convenience of boat traffic, the retaining wall at the inland vessels' wharves has been further extended and the construction of the frontage of the new riverside road from Aheereetollah to Baug Bazar has been taken in hand. The tramway was brought into direct communication with the Chitpore station of the Eastern Bengal Railway in June 1878 by the opening of the lift bridge over the Chitpore Canal. The works of general improvement carried out during the year include the building of a new warehouse and the completion of the new office of the Commissioners.

6. The dredger was at work during only 152 days of the year, and the amount of dredging done fell far below that in the previous year. The vessel was twice laid up for repairs, and it appears that portions of her fittings have suffered much from the wear-and-tear which she has undergone. The cost of her maintenance was Rs. 35,594, but the hopper barges earned by towing Rs. 24,310, so that the net cost of the dredging operations of the year was Rs. 11,284.

7. The income derived from the jetties amounted to Rs. 6,77,650, as against Rs. 8,00,521 in 1877-78. The falling-off is partly accounted for by the reduction in the landing charges on import cargo which was noticed in the last report. The revised tariff came into force on the 1st

August 1878, and was thus in operation for eight months of the year. The loss of revenue during this period was Rs. 32,441, or at the rate of Rs. 48,662 per annum. A considerable decrease in the quantity of piece-goods imported caused a further loss of Rs. 41,346. The receipts on account of export cargo also fell off by Rs. 39,333, owing to the cessation of the abnormal grain exports to Madras. Hides and tea now furnish the bulk of the revenue derived from exports shipped at the jetties. The expenditure of the year was Rs. 4,58,270, as against Rs. 4,25,897 in 1877-78. The increase is fully explained by the adjustment of the cost of several new cranes against revenue.

8. The number of vessels accommodated at the jetties was 184. The average amount paid by each vessel for jetty hire was Rs. 454, and the average income received from each vessel on all accounts was Rs. 3,588. The receipts on account of jetty hire have risen considerably owing to the higher rate of charge introduced since October 1877; but vessels have been permitted, at the same time, to work longer hours at the jetties. All vessels wishing to make use of the jetties had an opportunity of doing so during the year, but it was sometimes found necessary to order vessels away before they had completely loaded, or to keep arriving vessels waiting. A good deal of inconvenience was thus caused to the shipping, and no time should be lost in bringing to completion the works now in progress for increasing the jetty accommodation.

9. The thirty-ton crane earned Rs. 17,084 during the year. Of this amount Rs. 9,378 were received for work done

at the jetties, and Rs. 7,656 for moving heavy material about the port, and for lifting and moving the machinery of steamers under repairs. The expenditure was Rs. 10,773.

10. The receipts of the inland vessels' wharves (under which head the tramway is included) amounted to Rs. 4,59,862, and the expenditure to Rs. 2,65,157. The figures for 1877-78 were Rs. 5,49,137 and Rs. 2,59,762 respectively. The income of that year was exceptionally high, owing to the traffic in grain. The increase of expenditure last year was due to a larger outlay on the tramway, which was, however, fully compensated for by the higher net revenue received. The working of the line is now under the superintendence of a manager appointed by the Eastern Bengal Railway Company. The convenience which it affords for the conveyance of goods has been much enhanced since the opening of the bridge over the Chitpore canal, and the line is likely to prove a highly remunerative undertaking to the Commissioners.

11. The circumstances under which the control of cargo boats was transferred to the Commissioners were mentioned in the Resolution on the Report for 1877-78. Rules for the registering and licensing of these boats were drawn up by the Commissioners in the past year and received the sanction of Government. They came into operation on the 1st March last. Since the close of the year, passenger boats have also been placed under the supervision of the Commissioners. To carry out this measure a special enactment was passed, repealing certain sections of of Act IV (*B.C.*) of 1866,

which vested the Commissioner of Police with the control of these boats.

12. The total income from the Strand Bank lands was Rs. 1,40,294, as against Rs. 1,43,809 in 1877-78. Owing, however, to a reduction of expenditure the net revenue of the year was Rs. 53,495, against Rs. 43,337 in the previous year. The fall in income is explained by the fact that the rents were partially in arrears at the end of the year, and that nine months' rental of a plot of land required by the Commissioners for the new warehouse was lost.

## The Port.

13. The financial position of the port is shown in the following statements:—

### Liabilities.

| | Rs. |
|---|---|
| Capital debt ... ... ... | 17,65,000 |
| Net revenue ... ... ... | 9,61,177 |
| Total ... | 27,26177 |

### Assets.

| | Rs. |
|---|---|
| Value of block, originally Rs. 17,65,000, less depreciation, Rs. 2,87,608 ... ... | 14,77,392 |
| Value of new block acquired by the Port Commissioners since 1871 ... ... | 4,18,557 |
| Paid in liquidation of portion of loans advanced for port works ... ... | 6,614 |

| | Rs. |
|---|---|
| Investment for reserved fund ... ... | 3,64,250 |
| Depreciation fund ... ... ... | 2,00,000 |
| Set aside to meet cost of new block now in course of construction... ... ... | 66,634 |
| Cash balance of 1st April 1879 ... ... | 1,92,739 |
| Total ... | 27,26,177 |

The capital debt represents the original value of the block made over to Commissioners by Government. The debt is a permanent one on which the Commissioners pay interest at the rate of 4½ per cent. It is explained in the Report that "up to the close of 1877-78, the amount written off annually for depreciation of block was regulated by a scale adopted by the Commissioners in 1872, and it was then ordered that the surplus of this account, not spent in actual renewal of block, should be allowed to accumulate until the sum of Rs. 2,00,000 was reached, after which the amount to be charged to depreciation should no longer be regulated by the fixed scale, but should be the amount annually spent in renewal of block. By the close of 1877-78, the maximum sum of Rs. 2,00,000 had been accumulated, and the block therefore stands as an asset for 1878-79 at value shown at the close of 1877-78. This sum of Rs. 2,00,000 has been invested in Government Securities, and the Commissioners also hold Government Securities for Rs. 3,50,000, the reserve fund accumulated to meet any extraordinary losses, such as may be caused by the occurrence of a cyclone. The balance of the revenue accounts of the several years has

been spent in adding to the block of the port." While the Commissioners have realised a net revenue of Rs. 9,61,177 during the eight years of their administration, charges for mooring hire have been reduced by an amount which would aggegate Rs. 5,52,481 in the same period.

14. The total income of the port during the past year was Rs. 5,80,184, against Rs. 6,10,171 in the previous year. The receipts from mooring hire increased by Rs. 35,184, while the earnings of Harbour-masters fell by Rs. 49,206. These results were due to a large reduction of shipping, and a decline in freights necessitating the detention of vessels in port for long periods in expectation of more favourable rates. At one period there were 172 ships in the ports, and every available mooring was occupied. Total expenditure of the year was Rs. 3,98,106, against Rs. 4,28,909 in the previous year.

15. The total number of vessels which entered the port was 967, consisting of 489 steamers and 478 sailing ships. The gross tonnage was 1,430,787 tons. The decrease in both classes of vessels was most marked. In 1877-78, 726 steamers and 646 sailing ships, with a total gross tonnage of 2,056,954 tons, entered the port. Of these vessels, however, 224 were specially employed in grain traffic. The number of steamers which arrived from Europe *vid* Suez Canal in the past year was less than in 1877-78, but the average tonnage of the vessels shows a large increase.

16. The Harbour-masters' Department has worked satisfactorily. There was a slight increase in the percen-

tage of accidents, but this is attributed to the freshets of the season being unusually strong. None of the accidents call for remark.

17. The floating fire-engine has been throughly repaired. She assisted in putting out fires on one ship and five boats during the year.

18. The anchor boats recovered 48 anchors and 743 fathoms of chain. Eighteen anchors and 236 fathoms of chain were restored to their owners, and 12 anchors and 145 fathoms of chain were sold for Rs. 1,039.

19. The amount collected by the Commissioners on account of pilotage fees, port dues, and hospital dues, was Rs. 21,28,873. Of this sum Rs. 11,81,318 were credited to Government, Rs. 6,39,096 were paid to the Commissioners for charges due to them, and Rs. 3,08,459 were refunded to the agents of vessels.

20. All the moorings were examined and repaired. Owing to the crowded state of the port in the two preceding years, they had not been thoroughly looked after, and a complete overhaul of them was needed. The outer revetment walls at Fort Point, which are believed to have caused the deterioration of the moorings between that spot and Tolly's nullah, have lately been removed with the sanction of the Government of India, and are being replaced by a paved slope.

21. A survey of the port has been commenced by the River Survey Department since the close of the year. The work was of a pressing nature, as no survey had been made since 1872, and several changes are known to have occurred in the navigable channels.

22. A draft Bill to provide for the detention of unseaworthy ships was received from the Government of India in the course of the year, and a report was submitted on its provisions after consulting the Port Commissioners, the Chamber of Commerce, and certain Government officers. Considerable modifications of the draft have been suggested, with the view of bringing within the scope of the Bill all classes of vessels and all cases in respect of which legislation is needed. The Bill proposes to authorise the Lieutenant-Governor to vest the Commissioners with the power of enforcing its provisions at their discretion, and they will be thus in a position, when the measure becomes law, to prevent ships leaving the port in an unseaworthy condition. The provisions of the English Merchant Shipping Act of 1876, with regard to the load-line, having been held to be applicable to ships on the British register in Indian waters, the Bill leaves such ships to be dealt with, in respect of this matter, under the English Act. The Deputy Conservator of the port has been appointed to report breaches of the Act and institute prosecutions against the offenders.

23. In paragraph 60 of their report, the Commissioners refer to the action taken, and the decisions arrived at by them, in reference to the desire of the Lieutenant-Governor, conveyed in the Resolution on the last report, that they should consider, in consultation with the Superintendent of Marine and the Port Officer, whether the relations of the Port Officer to them might not be advantageously defined and made closer. Their reply on this question has been for some time before Government, but it was thought advisable to postpone passing orders upon it, pending the appointment of a new Port Officer. Now that Lieutenant-

Stiffe has been appointed, the matter will be again taken up and disposed of as soon as possible.

24. The report of the Auditors on the cash and store accounts of the Commissioners for the second-half of the past year draws attention to an irregularity on the part of the Commissioners in appropriating, for expenditure on the retaining wall at Schalch's Wharf, funds which had been expressly set aside for other works. The Commissioners have explained the circumstances under which the appropriations were made, and separate orders will be issued on the subject.

By order of the Lieutenant-Governor of Bengal,

A. MACKENZIE,

*Secretary to the Government of Bengal.*

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No. 93.

Copy of the above Resolution and of the Report forwarded to the Bengal Chamber of Commerce for information.

By order of the Lieutenant-Governor of Bengal,

C. W. BOLTON,

*For Secretary to the Government of Bengal.*

CALCUTTA,
*The 1st August* 1879.

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## PORT OFFICER'S REPORT FOR 1878-79.

*Calcutta, the 17th July 1879.*

RESOLUTION.

*Read* :—The annual Report of the Port Officer for 1878-79.

1. Since the appointment of a Superintendent of Marine at Calcutta, the Port Officer's duties have been confined to the administration of the local marine attached to the Port, and the charge of the Port approaches, of which he is Conservator. His office establishments has been revised, and is now a charge on Provincial Funds. Lieutenant Warden officiated as Port Officer during the year.

2. In dealing with questions that have come before him in connection with marine expenditure during the past year, the Lieutenant-Governor has found reason to believe that there is at present an insufficient check on the growth of marine charges, and that there is room for saving in the matter of stores and establishments. He has accordingly appointed a Committee to enquire thoroughly into the working of the whole system of provincial marine accounts, with the object of securing efficiency and economy in the administration of the grant received from the Imperial Government for marine expenditure. The Committee is still proceeding with the enquiry.

3. During the year fifty-four pilots were on the running list, two were in command of brigs, and eight were on leave. One was on detached duty. There were three casualties, all occuring in the Masters' grade. Five Leadsmen Apprentices joined the service on appointment by the Secretary of State, but no officer of that grade qualified for promotion to pilot. The service consists at present of 85 members—65 being Pilots and 20 Leadsmen.

4. The number of arrivals and departures of vessels was 1,967, comprising 996 steamers and 971 sailing ships. The total gross tonnage of these vessels was 2,911,774 tons. There was a considerable falling off in the total of arrivals and departures as compared with the figures of the two immediately preceding years; but both the number of ships and the gross tonnage were higher than in any year from 1869-70 to 1875-76 inclusive. In 1877-78 the number of arrivals and departures was 2,693 and the gross tonnage 4,043,985 tons. The figures for 1876-77 were 2,282 and 3,294,951 respectively. The trade of the port was, however, in these two years abnormally active, owing to the Madras and Bombay famines. A decrease in the shipping was to be looked for, as relief operations came to an end in those Presidencies, and it is satisfactory to find that, after all the effect of the extraordinary demand for freight had passed away, the gross tonnage of the Port was still 352,500 tons more than in 1875-76. The earnings of the Pilot Service naturally vary with the number of ships entering and leaving the port. The monthly average of ships piloted by the several grades during the past year was 4·36 for Branch Pilots, 3·33 for Masters, and 3·05 for Mates. The work has thus not yet fallen below the standard taken by the Committee of 1872, *viz.*, three ships a month for each pilot.

5. The following statement, reproduced from the report, gives particulars of the shipping during the past two years:—

| | | 1877-78. | 1878-79. |
|---|---|---|---|
| Arrivals ... | Number of steamers ... | 726 | 489 |
| | Ditto of sailing vessels | 646 | 478 |
| | Ditto of steamers which came through Suez Canal | 165 | 128 |

| | | | |
|---|---|---|---|
| Departures | Number of steamers ... | 735 | 507 |
| | Ditto of sailing vessels | 586 | 493 |
| | Ditto of steamers which went through Suez Canal | 159 | 154 |
| Total tonnage inwards and outwards of steamers ... ... | | 2,637,992 | 1,825,888 |
| Average tonnage of steamers ... | | 1,805 | 1,833 |
| Total tonnage inwards and outwards of sailing vessels ... ... | | 1,405,993 | 1,085,886 |
| Average tonnage of sailing vessels | | 1,141 | 1,118 |
| Grand total tonnage of steamers and sailing vessels, inwards and outwards ... ... | | 4,043,985 | 2,911,774 |
| Average tonnage of steamers and sailing vessels inwards and outwards | | 1,501 | 1,480 |

6. The percentage of accidents was somewhat higher than in the previous year, being 2·69 against 2·27; but having regard to the difficulties of the river, and the great size and draught of many of the vessels (382 drawing over 21 feet), the result of the year's work is, on the whole, creditable to the Pilot Service. There were 37 groundings and 16 collisions. In most of these accidents no damage was caused, and no blame was attributable to the pilots in charge; but one serious and deplorable case—the total loss of the steam-ship *Queen Anne* with six lives on the Fultah Sands—was entirely due to the misconduct of the pilot. He was brought to trial and dismissed. The only other case of any importance was the collision between the Peninsular and Oriental Company's Steamer *Peshawur* and the flat *Jellinghee* in tow of the inland Steamer *Madras*, in which the flat was sunk. For this accident the Captain of the *Madras* was entirely responsible.

7. Three Marine Courts were held during the year. In the first case a licensed tug pilot was charged with intoxication while on duty, but acquitted for want of sufficient evidence. The second case was the trial of the pilot of the steam-ship *Queen Anne*. In the third case the licensed master pilot was sentenced to forfeiture of half his earnings for six weeks for unskilfulness in handling the Government Steamer *Undaunted*. The conduct of marine prosecutions on behalf of Government has lately been transferred from the Assistant Port Officer to the Deputy Legal Remembrancer, as it was found desirable that the marine authorities should have professional legal assistance in these cases.

8. A Special Court under Act IV of 1875 was appointed to enquire into the collision between the steam-ship *Peshawur* and the flat *Jellinghee*. In the absence of any law requiring the employment of certificated masters on board inland steam vessels, it was deemed useless to frame charges under the Act against the Captain of the *Madras*, through whose incompetency the collision was caused. This case, and others, which occurred previously, demonstrated the necessity of providing by law for the appointment of none but competent men to the charge of river steamers of a certain burden, and for their trial and punishment in case of incompetency or misconduct. An Act has accordingly been passed, requiring commanders of inland steam vessels, of a burden exceeding 100 tons, to undergo examination and obtain a certificate of competency, and rendering them liable to suspension or cancelment of their certificate in case they are found guilty of incompetency or misconduct, or are convicted of a nonbailable offence.

9. The report gives a full account of the work of the River Survey Department and of the state of the Port approaches during the year. The River Survey Department made the usual yearly examination of the Eastern Channel, overhauled and replaced the buoys of the Western Channel, surveyed completely the Gasper Channel and Middle Ground, re-surveyed the Saugor Roads and Mud Point Channel, and effected the repairs and alterations needed in the river marks. Changes have occurred in some of the channels, shoals, and anchorages of the river; but they appear not to have materially affected the navigation. The steamer *Clyde* was the survey vessel during the year.

10. Under orders of the Government of India passed in January last, all local vessels maintained out of Port Funds, or belonging to local departments and employed on local duties, have been placed under the independent control of the Local Government. All other vessels will remain under the orders of the Supreme Government. The services of the Steamer *Undaunted* have, however, been placed at the disposal of this Government for the present. She was usefully employed during the year in towing pilot brigs and light-ships up to the Dockyard for repairs and back to their stations, in provisioning them, and in conveying pilots to the Sandheads. In September last she proceeded to Galle and towed up the light-ship *Colombo*, a vessel purchased by the Government of India from the Ceylon Government for service in the Hooghly, but now guarding the Krishna Shoal. Most of the local vessels are reported to be in good condition. Three of the pilot brigs were repaired during the year.

11. The anchor vessel *Vulcan* recovered a good deal of property in the course of the year. Her earnings amounted to Rs. 2,257. Allowing for salvage, this sum fell short of the cost of her establishment by Rs. 3,869-12. Against this unfavourable balance, however, must be set off the value of her services as an auxiliary vessel of the Survey Department, and a large stock of unsold anchors and cables which is valued at Rs. 5,800.

12. The houses of refuge on the southern face of the Sunderbuns have been inspected and supplied with a fresh stock of stores. These houses are systematically plundered every year by wood-cutters; but, owing to their remoteness from habitation, no practicable measures for their protection can be devised. It may be possible hereafter to have them looked after by the officers of the Forest Department. Meantime, only absolute necessaries are supplied to them.

13. The periodical examinations for certificates as masters, mates, and engineers attracted more candidates than in the previous year. Nineteen went up for Masters' and 45 for mates' certificates. Of the former, 6 obtained colonial and 4 local certificates; and of the latter, 6 obtained colonial and 23 local certificates. Eleven engineers appeared for examination in steam: 7 passed—5 obtaining colonial and 2 local certificates. One master also went up for this examination and passed.

14. The number of certificates issued to steam vessels surveyed under the local Acts was 152. Native passenger steamers were also surveyed as usual under Act VIII. 1876. Two of these vessels suffered severely from small-pox while conveying pilgrims from Jeddah to this Port during the year. These cases drew attention to the

necessity of laying down a more explicit rule than that actually in force for the provision of suitable hospital accommodation on board of native passenger ships. A draft rule has accordingly been submitted for the approval of the Government of India.

ORDER.—Ordered that a copy of the Report and of this Resolution be submitted to the Government of India in the Home, Revenue and Agricultural Departments.

Ordered also that a copy of the Report and of this Resolution be submitted to the Government of India in the Marine Department.

Also that a copy of the Report and of this Resolution be forwarded to the Officiating Port Officer.

Also that a copy of the Report and of this Resolution be forwarded to the Bengal Chamber of Commerce.

Also that a copy of the Report and of this Resolution be forwarded to the Port Commissioners.

Also that a copy of the Report and of this Resolution be forwarded to the Superintendent of Marine.

By order of the Lieutenant-Governor of Bengal,

A. MACKENZIE,

*Secretary to the Govt. of Bengal.*

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No. 866.

COPY of the Report and of this Resolution forwarded to the Bengal Chamber of Commerce, for information.

By order of the Lieutenant-Governor of Bengal,

C. H. BOLTON,

*Under-Secy. to the Govt. of Bengal.*

CALCUTTA,

*The 17th July* 1879.

## THE COMMITTEE.

Under the provisions of Rule VIII. the Committee have appointed as their colleagues Mr. William Duncan and Mr. John Morrison in the room of Mr. Ewing and Mr. G. H. Morrison, and the confirmation of their election is now requested.

## FUNDS OF THE CHAMBER.

The balance at credit of the Chamber on the 31st October 1879 amounted to Rs. 3,381-14-8, exclusive of Rs. 15,000 in 4 per cent. Government Securities.

A. B. INGLIS,

*Vice President.*

# APPENDIX.

# FUNDS OF THE CHAMBER.

*Statement of the Funds of the Bengal Chamber of Commerce, from 1st May 1879 to 31st October 1879.*

| | | | Rs. | A. | P. | | | | Rs. | A. | P. |
|---|---|---|---|---|---|---|---|---|---|---|---|
| To Office Rent ... | ... | ... | 900 | 0 | 0 | By Balance ... | ... | ... | 2,628 | 8 | 5 |
| „ Establishment | ... | ... | 5,361 | 0 | 0 | „ Government Securities | | ... | 15,000 | 0 | 0 |
| „ Charges, General | ... | ... | 4,351 | 7 | 10 | | | | 17,628 | 8 | 5 |
| | | | 10,612 | 7 | 10 | | | | | | |
| To Balance— | | | | | | „ Subscriptions ... | | 7,744 0 0 | | | |
| Cash in Bank of Bengal | 704 | 4 2 | | | | „ Price current and other publications ... | | 3,321 14 1 | | | |
| „ in hand ... | 2,677 | 10 6 | | | | „ Interest ... ... | | 300 0 0 | | | |
| Reserve in Government Paper | 15,000 | 0 0 | | | | | | | 11,365 | 14 | 1 |
| | | | 18,381 | 14 | 8 | | | | | | |
| Rupees | | | 28,994 | 6 | 6 | Rupees | | | 28,994 | 6 | 6 |

CALCUTTA,
31st October 1879.

E. E.

H. W. I. WOOD,
*Secretary.*

**TONNAGE SCHEDULE** for the PORT OF CALCUTTA, adopted at a Special General Meeting of the Bengal Chamber of Commerce, held on the 12th February 1872, with effect from 1st September 1872, except as regards the measurement of Cotton, Hemp, Jute, Jute Cuttings, Rhea, Safflower, and other articles similarly packed, which, under the Chamber's Resolution of 14th June 1872, had effect from 1st July 1873.

| ARTICLES. | Cwt. per Ton Nett. | Cubic feet per Ton. |
|---|---|---|
| Aloes, in bags and boxes ... ... | 20 | ..... |
| Alum, in ditto ... ... | 20 | ..... |
| Aniseed, in bags ... ... | 8 | ..... |
| Arrowroot, in cases ... ... | ..... | 50 |
| Arsenic, in bags or cases ... ... | 20 | ..... |
| Asafœtida, in bags and boxes ... | 20 | ..... |
| Apparel, in boxes ... ... | ..... | 50 |
| Bark, in bags ... ... | 8 | ..... |
| Bees' Wax ... ... | 20 gross | |
| Barilla ... ... | 20 | ..... |
| Betel-nut ... ... | 20 | ..... |
| Books ... ... | ..... | 50 |
| Borax ... ... | 20 | ..... |
| Bran ... ... | 14 | ..... |
| Brimstone ... ... | 20 | ..... |
| Bullion ... ... | at per cent. | |
| Cake-lac, in bags ... ... | 16 | ..... |
| Camphor, in cases ... ... | ..... | 50 |
| Cardamoms, in robins ... ... | 8 | ..... |
| „ boxes ... ... | ..... | 50 |
| Cassia, in boxes ... ... | ..... | 50 |
| „ bags ... ... | 12 | ..... |
| Castor Seed ... ... | 15 | ..... |
| Chillies, (dry) in bags ... ... | 8 | ..... |
| China Root, in bags ... ... | 11 | ..... |
| „ boxes ... ... | ..... | 50 |
| Chiretta ... ... | ..... | 50 |
| Churrah ... ... | 14 | ..... |
| Cigars ... ... | ..... | 50 |
| Cloves, in bags ... ... | 8 | ..... |
| „ boxes ... ... | ..... | 50 |
| Coals ... ... | 20 | ..... |
| Cochineal ... ... | ..... | 50 |
| Coffee, in bags ... ... | 18 | ..... |
| „ casks ... ... | 16 | ..... |

| ARTICLES. | Cwt. per Ton Nett. | Cubic feet per Ton. |
|---|---|---|
| Coral, rough | 20 | ..... |
| Coir, loose and unscrewed | 12 | ..... |
| Copras, or Cocoanut Kernel | 14 | ..... |
| Coriander Seed | 12 | ..... |
| Cotton | ..... | 50 |
| Cowries | 20 | ..... |
| Cummin Seed | 8 | ..... |
| " Black | 8 | ..... |
| Cutch, in bags | 18 | ..... |
| Dates, wet | 20 | ..... |
| " dry | 16 | ..... |
| Dholl | 20 | ..... |
| Elephants' Teeth in bulk | 20 | ..... |
| Furniture | ..... | 50 |
| Garlic and Onions | 12 | ..... |
| Ginger | 16 | ..... |
| Gram | 20 | ..... |
| Gums, in cases | ..... | 50 |
| Gunny Bags and Gunny Cloth | ..... | 50 |
| Gunjah | ..... | 50 |
| Hemp | ..... | 50 |
| Hides, Buffalo, or Cow, cured | 14 | ..... |
| Hoofs, Horn Shavings and Tips | 20 | ..... |
| Horns, Cow, Buffalo, or Deer | 20 | ..... |
| India Rubber, in bags | 16 | ..... |
| " cases | ..... | 50 |
| Indigo | ..... | 50 |
| Iron | 20 | ..... |
| Jute | ..... | 50 |
| Jute Cuttings | ..... | 50 |
| Lac Dye | ..... | 50 |
| Lard | 20 gross. | |
| Linseed | 20 | ..... |
| Mace | ..... | 50 |
| Machinery | 20 | ..... |
| Metals | 20 | ..... |
| Mathie Seed | 18 | ..... |
| Mirabolams | 16 | ..... |
| Molasses | 2 puncheons or 4 hhds. | |
| Mother o'Pearl, in bags | 20 | ..... |
| " chests | 20 | ..... |
| Munjeet | .... | 50 |
| Mustard or Rape Seed | 20 | ..... |
| Niger Seed | 20 | ..... |
| Nutmegs, in cases or casks | ..... | 50 |

| ARTICLES. | Cwt. per Ton Nett. | Cubic feet per Ton. |
|---|---|---|
| Nux Vomica ... ... | 16 | ..... |
| Oats ... ... | 16 | ..... |
| Oil, in cases ... ... | ..... | 50 |
| „ casks ... ... | 4 hhds. | |
| Opium ... ... | per chest. | |
| Paddy ... ... | 16 | ..... |
| Palmatine, in bags ... ... | 16 | ..... |
| Peas ... ... | 20 | ..... |
| Pepper, Long ... ... | 12 | ..... |
| „ Black ... ... | 14 | ..... |
| Planks and Deals ... ... | ..... | 50 |
| Poppy Seed ... ... | 20 | ..... |
| Putchuck ... ... | 10 | ..... |
| Rags ... ... | ..... | 50 |
| Raw Silk, in bales ... ... | 10 | ..... |
| Rattans for dunnage ... ... | 20 | ..... |
| Red Wood, ditto ... ... | 20 | ..... |
| Rhea ... ... | ..... | 50 |
| Rice ... ... | 20 | ..... |
| Rope, in coils ... ... | ..... | 50 |
| „ Lines and Twines in bundles ... | 16 | ..... |
| Rum, in casks ... ... | 2 puncheons or 4 hhds. | |
| Safflower ... ... | ..... | 50 |
| Sago, in cases ... ... | ..... | 50 |
| Sal-amoniac, in bags ... ... | 20 | ..... |
| „ boxes ... ... | 20 gross. | |
| Saltpetre ... ... | 20 | ..... |
| Salt ... ... | 20 | ..... |
| Sapan Wood for dunnage ... ... | 20 | ..... |
| Sealing Wax, in cases ... ... | ..... | 50 |
| Seed-lac, in cases ... ... | ..... | 50 |
| „ bags ... ... | 16 | ..... |
| Senna ... ... | ..... | 50 |
| Shells, rough, in bags ... ... | 20 | ..... |
| Shell-lac, in cases ... ... | ..... | 50 |
| „ bags ... ... | 16 | ..... |
| Silk Chussum ... ... | ..... | 50 |
| „ Waste ... ... | ..... | 50 |
| Silk Piece-Goods ... ... | ..... | 50 |
| Skins ... ... | 14 | ..... |
| Soap, country, in cases ... ... | ..... | 50 |
| „ bags ... ... | 15 | ..... |
| „ bar ... ... | 20 | ..... |
| Stick Lac, in cases ... ... | ..... | 50 |
| „ bags ... ... | 16 | ..... |

| ARTICLES. | Cwt. per Ton Nett. | Cubic feet per Ton. |
|---|---|---|
| Sugar ... ... | 20 | ..... |
| Tallow, in cases or casks ... ... | 20 | ..... |
| Talc ... ... | 20 | ..... |
| Tamarinds, in cases or casks ... | 20 | ..... |
| Tapioca ... ... | ..... | 50 |
| Tea ... ... | ..... | 50 |
| Teel Seed ... ... | 20 | ..... |
| Timber, round ... ... | ..... | 40 |
| „ squared ... ... | ..... | 50 |
| Tincal ... ... | 20 | ..... |
| Tobacco, in bales ... ... | 16 | ..... |
| Tortoise Shells, in chests ... ... | ..... | 50 |
| Turmeric ... ... | 16 | ..... |
| Wheat ... ... | 20 | ..... |
| Wool ... ... | ..... | 50 |

1. Goods in Casks or Cases to be calculated gross weight when paying freight by weight; and where freight is made payable on measurement, the measurement be taken on the Custom House wharf, or other shipping wharf within a radius of 5 miles from the Custom House, except in the case of Cotton, the measurement of which shall be taken at the Screw-house.

2. Measurement to be taken at largest part of the bale,—inside the lashing on one side and outside on the other.

3. Jute, Jute-cuttings, Hemp, Cotton, Safflower, and other articles similarly packed, are screwed in bales varying from 300 to 400lbs.

4. The term "dead weight" shall be understood to mean the following articles:—Sugar, Saltpetre, Rice, Wheat, Gram, Dholl, Peas, Linseed, Rapeseed and all Metals.

H. W. I. WOOD,
*Secretary*

# SCHEDULE OF COMMISSION CHARGES

*Revised and adopted by a Special General Meeting of the Bengal Chamber of Commerce, held on the* 18*th June* 1861,—*with effect from* 1*st January* 1862.

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| | | |
|---|---|---|
| 1. | On the sale, purchase, or shipment of Bullion, Gold Dust or Coin ... ... ... | 1 per cent. |
| 2. | On the purchase (when in funds) or sale of Indigo, Raw Silk, Silk Piece-Goods, Opium, Pearls, Precious Stones, or Jewellery ... ... | 2½ „ |
| 3. | On purchasing ditto when funds are provided by the Agent ... ... ... | 5 „ |
| 4. | On the sale or purchase of all other goods—the commission in all cases to be charged upon the gross amount of sales, and in regard to purchases upon both cost and charges ... | 5 „ |
| 5. | On returns for Consignments if made in produce ... | 2½ „ |
| 6. | On returns of Consignments if in Bills, Bullion, or Treasure ... ... ... | 1 „ |
| 7. | On accepting Bills against Consignments ... | 1 „ |
| 8. | On the sale or purchase of Ships, Factories, Houses, Lands, and all property of a like description ... | 2½ „ |
| 9. | On goods and treasure consigned, and all other property of any description referred to Agency for sale, whether advanced upon or otherwise, which shall afterwards be withdrawn; and on goods consigned for conditional delivery to others and so delivered, on invoice amount at 2*s.* per rupee. | half com. |
| 10. | On making advances or procuring loans of money for commercial purposes, when the aggregate commission does not exceed 5 per cent. ... | 2½ per cent. |
| 11. | On ordering, or receiving and delivering goods, or superintending the fulfilment of contracts, or on the shipment of goods, where no other commission is derived ... ... ... | 2½ „ |

12. On guaranteeing Bills, Bonds, or other engagements, and on becoming security for administration of Estates, or to Government for the disbursement of public money .. ... .. 2½ per cent.

13. On *del-credere*, or guaranteeing the due realization of sales ... .. ... 2½ „

14. On the management of Estates for Executors or Administrators ... ... ... 2½ „

15. On chartering ships or engaging tonnage for constituents for vessels to proceed to outports for loading ... ... ... 2½ „

16. On advertising as the Agents for Owners or Commanders of ships for Cabin passengers, on the amount of passage money, whether the same shall pass through the Agent's hands or not ... 2½ „

17. On procuring freight for a ship by a shipping order or charter, or on procuring employment for a ship on monthly hire, or acting as Agents for owners, Captain, or charterers of a vessel, upon the gross amount of freight, brokerage inclusive ... 5 „

18. On engaging Asiatic Emigrants for a ship to the Mauritius, the West Indies, or elsewhere, upon the gross amount of earnings ... ... 5 „

19. On engaging troops for a ship to Great Britain or elsewhere, on the gross amount of passage money for rank and file ... ... 2½ „

20. On realising inward freight, inward troops, Emigrant, or Cabin passage money ... ... 2½ „

21. On landing and re-shipping goods from any vessel in distress, or on landing and selling by auction damaged goods from any such vessel, and acting as Agent for the Master on behalf of all concerned, on the declared value of all such goods as may be re-shipped, and on the nett proceeds of all such goods as may be publicly sold ... 5 „

If Opium, Indigo, Raw Silk, or Silk Piece-Goods ... 2½ „

If Treasure, Precious Stones, or Jewellery ... 1 „

22. On effecting Insurances, whether on lives or property ... ... ... 2½ per cent.
23. On settling Insurance claims, losses, and averages of all classes, and on procuring returns of premium ... ... ... 2½ „
24. On drawing, purchasing, selling, or negotiating Bills of Exchange ... ... ... 1 „
25. On debts or other claims when a process at law or arbitration is incurred in claiming them ... 2½ „
Or if recovered by such means ... ... 5 „
26. On Bills of Exchange returned dishonored ... 1 „
27. On collecting House Rent ... ... 2½ „
28. On ship's Disbursements ... ... 2½ „
29. On realising Bottomry Bonds, or negotiating any loan on *respondentia* .. ... 2½ „
30. On granting Letters of Credit ... ... 1 „
31. On sale or purchase of Government Securities and Bank or other Joint Stock Shares, and on every exchange or transfer not by purchase from one class to another ... .. ½ „
32. On delivering up Government Securities and Bank or other Joint Stock Shares, on the market value. ½ „
33. On all amounts debited and credited within the year (less the balance brought forward) upon which no commission amounting to 5 per cent. has been charged ... ... ... ½ „

☞ Brokerage when paid is to be separately charged.

H. W. I. WOOD,
*Secretary.*

# CONVERSION OF STERLING FREIGHT INTO INDIAN CURRENCY.

*The following Resolutions were adopted at a General Meeting of the Chamber, held on the 31st May 1876.*

"1. That the Resolution adopted at a Special General Meeting of the Chamber of Commerce, held on the 18th June 1861 is hereby superseded; that the conversion into Indian Currency of Sterling Freight payable in Calcutta on goods from Great Britain or any port or place where the freight is expressed in sterling money shall be made payable by an approved Bank Bill on demand, or at the rate for Bank Bills on London payable on demand, unless otherwise stipulated; that the rate ruling at the close of a mail shall be the rate applicable for such purpose during the week next ensuing; and that this Resolution shall have effect from the 1st January 1877."

2. That the words *current rate of Exchange* shall be held to mean the rate current for Bank Bills on London payable on demand, unless otherwise stipulated.

3. That the rate for Bank Bills on London payable on demand shall be taken for reducing sterling into Indian money in all cases of commission payable in Calcutta on effecting charters for, or at, the ports of Akyab, Bassein, Rangoon, and Moulmein, for rice or timber; as well as in all cases of difference of freight payable at the said ports on re-charter or relet of tonnage, unless otherwise stipulated.

*Forms of Bill of Lading and Boat Note as adopted at a General Meeting of the Chamber of Commerce on the 17th January 1880.*

---

Shipped in good order and well conditioned,

by _____

in and upon the good Ship or Vessel called the _____

whereof is Master for this present Voyage _____

and now lying in the Port of Calcutta and bound for _____

_____

being marked and numbered as in the margin, and to be delivered, in the like good order and well conditioned, at the aforesaid Port of _____

*(The Act of God, the Queen's Enemies, fire, and all and every other dangers and accidents of the Seas, Rivers, and Navigation of whatever nature and kind soever excepted)*

unto _____

or to _____ Assigns, Freight for the said Goods being payable as customary _____

_____

_____

with Average accustomed. In Witness whereof, the Master or Agents of the said Ship hath affirmed to _____ Bills of Lading, all of this tenor and date, one of which being accomplished, the others to stand void.

Dated in CALCUTTA, this _____ day of _____ 18 .

*Weight and Contents unknown.*

No.....

*Calcutta*,.....18.....

To

*THE COMMANDING OFFICER OF THE*

Ship.....

SIR,

Please receive on board the undernoted Goods from Messrs.....

and grant a clean receipt for the same.

**N. B.—This cargo is only shipped on the special understanding that the Chief Officer will sign for all counter or quality marks and numbers, and the Bales or Packages are not to be taken on board except on these terms, and also when a Sircar is in attendance to check the tally.**

**In case of any dispute, the Shippers request prompt information in writing from one of the Officers of the ship.**

| Marks and Numbers. | Number of packages. | Description of Goods. | |
|---|---|---|---|
| | | | |

No.....

*Calcutta*,.....18.....

**Received** on board the ship.....
in good order and condition the undermentioned Goods from Messrs.....
.....

**N. B.—The Chief Officer is requested not to take in any package unless he is prepared to sign for all the qualifying marks and numbers.**
**All packages in bad order must be returned.**

| Marks and Numbers. | Number of packages. | Description of goods. | |
|---|---|---|---|
| | | | |

*Arrived alongside*.....
*Discharged*.....
*Returned*.....
*Remarks*.....
(Signature).....
Chief Officer.
*Ship*.....
*Moorings*.....

# MEMBERS OF THE CHAMBER OF COMMERCE.

Aikman, J., Esq., *Acting Agent, Chartered Bank of India, Australia, and China.*
Agelasto, A. and Co.
Apcar and Co.
Ashburner and Co.
Anderson, Wright and Co.
Barlow and Co.
Begg, Dunlop and Co.
Burn and Co.
Barry and Co.
Balmer, Lawrie and Co.
Birkmyre Brothers.
Bulloch, Wellsted and Co. (*Mofussil.*)
Carlisles, Nephews and Co.
Carritt and Co.
Cochrane, S., Esq., *Manager, Agra Bank.*
Colvin, Cowie and Co.
Crooke, Rome and Co.
Cox, Henry S., Esq.
Cohn Brothers and Fuchs.
Duncan Brothers and Co.
Dwarkanath Dutt and Co.
Duffus, J.
Ede and Hobson.
Ernsthausen and Oesterley.
Ewing and Co.
Elliott. John and Co.
Ezra, E. D. J.
Finlay, Muir and Co.
Gisborne and Co.
Graf and Banziger.
Graham and Co.
Grindlay and Co.
Gubboy, Elias S.
Harper, G., Esq., *Agent, Oriental Bank Corporation.*
Henderson, George and Co.
Heilgers, F. W. and Co.
Herbert, C. H., Esq., *Agent, Chartered Mercantile Bank of India, London and China.*
Hoare, Miller and Co.
Howe, Goodwin & Cole.
Huber and Co.
Jardine, Skinner and Co.
Kettlewell, Bullen and Co.
Kelly and Co.
Ker, Dods and Co.
King, Hamilton and Co.
Longmuir, T., Esq., *Manager, Delhi & London Bank, Limited.*
Morris, E., Esq., *Agent, Hong-Kong and Shanghai Banking Corporation.*
Mackillican, J., and Co.
Macallister, R., and Co.
Mackinnon, Mackenzie and Co.
Mackenzie, Lyall and Co.
Macneill and Co.
Macknight, Anderson and Co.
McIntosh, A. R., and Co.
Moran, W., and Co.
McKewan and Co.
Oldemeyer and Hadenfeldt.
Payn, T., Esq., *Manager, Comptoir d'Escompte de Paris.*
Petrocochino Brothers.
Prawnkissen Law and Co.
Prestage, F., Esq., *Agent, Eastern Bengal Railway Company.*
Ralli Brothers.
Reinhold and Co.
Robert and Charriol.
Rentiers and Co.
Schroder, Smidt and Co.
Schoene, Kilburn and Co.
Sassoon, David, and Co.
Shaw, Finlayson and Co.
Steel, Octavius, and Co.
Thomas, J., and Co.
Turner, Morrison and Co.
Tamvaco and Co.
Tambaci, Paul and Son.
Ullmann, Hirschhorn and Co.
Weinholt Brothers.
Wilkinson, Captain C. J., *Superintendent, P. & O. Company.*
Wilson, H. F. (*Mofussil.*)
Windram, J., Esq., *Manager, National Bank of India.*
Whitney, Brothers and Co.
Williamson, Brothers and Co.
Wiseman, Mitchell, Reid and Co.
Yule, Andrew, and Co.

*Honorary Member :*

J. A. Crawford, Esq., C. S., late Collector of Customs.

# RULES AND REGULATIONS

OF THE

# BENGAL CHAMBER OF COMMERCE.

*First* ..... That the Society shall be styled "THE BENGAL CHAMBER OF COMMERCE."

*Second*... That the object and duty of the Bengal Chamber of Commerce shall be to watch over and protect the general commercial interests of the Presidency of Bengal, and specially those of the port of Calcutta; to employ all means within its power for the removal of evils, the redress of grievances, and the promotion of the common good; and, with that view, to communicate with Government, public authorities, associations, and individuals; to receive references from, and to arbitrate between, parties willing to abide by the judgment and decision of the Chamber; and to form a code of practice to simplify and facilitate transaction of business.

*Third*.... That merchants, bankers, ship-owners, and brokers shall alone be admissible as members of the Chamber.

*Fourth*... That candidates for admission as members of the Chamber shall be proposed and seconded by two members, and may

be elected by the Committee provisionally, such election being subject to confirmation at the next ensuing General Meeting.

*Fifth*..... That the subscription of firms and banks shall be 16 rupees per mensem, of individual members 10 rupees per mensem, and of mofussil members 32 rupees per annum.

*Sixth*..... That any member of the Chamber whose subscription shall be three months in arrears shall cease to be a member, and his name shall be removed by the Committee from the list of members after one month's notice of such default.

*Seventh*... That the business and funds of the Chamber shall be managed by a Committee of not less than five nor more than seven members, including the President and Vice-President, to be elected annually at a General Meeting of the Chamber in the month of May; the President, or, in his absence, the Vice-President, being ex-officio Chairman of the Committee, and in the absence of the President and Vice-President, the Committee to elect its own Chairman. Three to form a quorum.

*Eighth*... Annual elections of President, Vice-President, and members of the Com-

mittee shall be determined by a majority of votes of members, such votes being given in voting cards to be issued by the Secretary, numbered and bearing his signature; and no voting card shall be received for such purpose unless so authenticated. All vacancies created by the absence of the President, or Vice-President, from the Presidency for three months, or by departure for Europe, or by death, shall be forthwith filled up, and the election determined by votes to be taken as above and declared by the Committee. All vacancies created as above by the absence, departure, or death of any of the members of the Committee shall be forthwith filled up by selection by the Committee, subject to approval at first ordinary general meeting thereafter.

☞ *It is specially requested that before a member is returned to serve on the Committee, his nominator shall have ascertained his willingness to accept office in the event of his election by voting cards.*

*Ninth*..... That parties holding powers of procuration shall, in the absence of their principals, be eligible to serve as members of the Committee.

*Tenth*..... Two members of a firm or representatives of a bank shall not serve on the Committee at the same time.

*Eleventh*. That the Committee shall meet for the purpose of transacting such business as may come within the province of the Chamber at such times as may suit their convenience, and that the record of their proceedings be open to the inspection of members, subject to such regulations as the Committee may deem expedient.

*Twelfth*. That all proceedings of the Committee be subject to approval or otherwise of General Meetings duly convened.

*Thirteenth*. That a half-yearly report of the proceedings of the Committee be prepared, printed, and circulated for information of members three days previous to the General Meeting at which such report and proceedings of the Committee shall be submitted for approval.

*Fourteenth*. That the Secretary shall be elected by the Committee; such election to be subject to confirmation at the next ensuing General Meeting.

*Fifteenth*. That General Meetings of the Chamber shall be held at such times as the Com-

mittee may consider convenient for the despatch of business.

*Sixteenth.* That any number of members present shall be held to constitute a General Meeting, called in conformity with the Rules of the Chamber for the despatch of ordinary business.

*Seventeenth.* That on the requisition of any five members of the Chamber, the President, or, in his absence, the Vice-President, or Chairman of Committee, shall call a Special General Meeting, to be held within 15 days subsequent to receipt of such requisition.

*Eighteenth.* That every subscribing firm or bank shall be entitled to one vote only, and that the Chairman of Committee and Chairman of General Meetings and Special General Meetings shall have a casting vote in cases of equality of votes.

*Nineteenth.* That parties holding powers of procuration shall, in the absence of their principals, be entitled to vote.

*Twentieth.* That voting by proxy shall be allowed; provided proxies are in favour of members of the Chamber.

*Twenty-first.* That the Chamber reserves to itself the right of expelling any of its members;

such expulsion to be decided by the votes of three-fourths of members present in person or by proxy at any Special General Meeting of the Chamber convened for the consideration of such expulsion.

*Twenty-second.* That strangers visiting the Presidency may be admitted by the Committee as honorary members for a period not exceeding two months.

*Twenty-third.* That no change in the rules and regulations of the Chamber shall be made, except by the votes of a majority of the members of the Chamber present in person or by proxy at a Special General Meeting to be held after previous notice of three months.

Thos. S. Smith, City Press, Calcutta.

# REPORT

OF

# THE COMMITTEE

OF THE

# BENGAL CHAMBER OF COMMERCE.

For the half-year ended 30th April 1880.

CALCUTTA:
PRINTED BY THOMAS S. SMITH, CITY PRESS,
12, BENTINCK STREET.

1880.

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# BENGAL CHAMBER OF COMMERCE.

## Report of the Committee for the half-year ended 30th April 1880.

THE Committee submit their Report on the principal subjects which have had their attention during the past half-year.

### THE BUDGET FOR 1880-81.

THE Annual Financial Statement was published on the 24th February 1880, and the official summary of it is here recorded.

In 1878-79 the surplus was £2,044,000; in 1879-80 the surplus has been £119,000, and the budget estimate for 1880-81 shows a surplus of £417,000. The foregoing figures in each case are after paying from ordinary revenue all charges for famine, the Afghan war, and the frontier railway. The war charges for 1878-79 were £676,000; for 1879-80, £3,216,000; for 1880-81, £2,090,000. Setting off the increased railway and telegraph revenues, the total nett expenditure on the war to the end of 1880-81 was five millions and three-quarters. The frontier railways are to cost for the present year £1,670,000, and next year £2,270,000: total nett three millions and three quarters. Expenditure on

productive works in 1878-79 was £4,381,000 ; 1879-80 £3,700,000 ; 1880-81, £2,500,000, besides the outlay on the East Indian Railway. The Council Bills for the present year amount to £15,750,000 ; next year they will be £16,900,000. There will be no loan in the coming year, according to present intentions, unless unforeseen events occur, but full power to borrow in case of need will be reserved. The closing balances in India for 1879-80 were £14,193,000, for 1880-81, £11,444,000. Exchange is estimated for next year at one shilling and eight pence. The extension of taxation to the official and professional classes is abandoned for the present, fresh taxation not being desirable under the existing financial circumstances. The license-tax remains unaltered, except that all incomes below rupees 500 are exempted, causing a remission of £340,000 taxation. The export duties on indigo and lac will be abolished, causing a loss of £54,000. No export duty now remains except that on rice. No present change will be made in the cotton duties, but a prolonged maintenance of the remaining duties is declared impossbile. The loss of revenue next year from previous remissions of cotton duties is estimated at £250,000. Notwithstanding the reduction of the salt duties in the greater part of India, salt shows a large increase of revenue and consumption. The principal improvements in 1879-80 as compared with estimates are :—opium, £1,900,000 ; exchange, £1,010,000 ; public works savings, £661,000 ; land revenue, £450,000 ; salt, £362,000 ; interest, £389,000. The Army Commission recommends important measures for increasing the efficiency of the army, with an estimated annual saving of one and a quarter million. No credit is taken for this

in the Budget. Sir John Strachey stated that the plans regarding famine insurance had been completely successful, and declared that their objects had been thoroughly fulfilled. The restrictions of productive public works expenditure to two and a half millions has, however, checked the efforts of the Government of India to protect the country from famine by the construction of cheap railways and canals. The war estimates have hitherto proved accurate, and are believed to be ample for all contingencies now contemplated. A comparison between the present total nett ordinary expenditure and that of twelve years back shows, apart from loss by exchange, only a trifling increase either in civil or military charges. Even including loss by exchange the total nett expenditure shows no increase, owing to an improvement in railways and canals.

## IMPORT DUTIES ON COTTON GOODS.

In directing attention to the accompanying correspondence on import duties on cotton manufactures, the Committee regret to think that the subject seems almost an insolvable one, when the state of the public finances is considered. Before the recent startling revelations were made known, and when the country seemed well able to afford it, the Committee hoped that the anomalies referred to in the following correspondence, would disappear with the total abolition of the import duties; but now that desirable result seems as far off as ever, and until the position of

the Government is such as to justify their renewed action the Committee can hardly press the subject further.

---

*From Chamber to Government of India.*

*Calcutta, 17th January* 1880.

I AM directed by the Committee of the Chamber of Commerce to invite your attention to certain features in the working of the Customs Act, as remodelled last March, with reference to the duties levied on cotton goods.

It seems to the Committee that certain anomalies have arisen under the partial abolition of those duties which call for redress. One anomaly is that manufacturers by giving two threads, or even one thread, less to the quarter inch in an ordinary piece of 8¼lb. Grey Shirting can save the 5 per cent. duty, whilst manufacturers of old standard cloths, who must give one thread more, are mulcted with the 5 per cent. For instance, an ordinary 8¼lb. shirting counts 16×15 to the quarter inch, and is made of 32s. and 36s. yarns, but now an 8¼lb. can be made out of 30s. and 30s. yarns, or less, but counting 16×13 or even 16×14. The Committee have before them two such cloths, the resemblance between which is so marked that only an expert can tell the difference; and as they cost the same, or almost the same, price, and sell in the market at the same, or nearly the same, rate, it is seen at once how heavily the manufacturer who has to pay the duty is handicapped:

The hardship in this case is that the suffering manufacturers cannot save themselves without making such a change in their standard cloth as would jeopardize, and

probably destroy, the name and trade-marks under which they have, for many years, established a business. As cases in point may be mentioned "*Company's Mark*" and "*Eagle Chop*" 8¼ to 8½lbs. shirtings, which are as well known in the piece-goods trade as rupees themselves. If the identity of these cloths were to be destroyed, which they undoubtedly would be by the use of any other than the usual yarns, their position would probably vanish with the change; a loss which no one would willingly elect; and yet if they do not so elect, they must stand aside and see others making the needful change to save the duty, whilst their well-known and reputed marks are undersold.

These are illustrations of the manner in which manufacturers and shippers suffer; but the Committee have before them many others in which merchants, as regular buyers of certain makes of shirtings, shipped under well-known trade-marks for many years, will lose the reputation earned for these marks if they venture to make the required change in the identity of such cloths to bring them in duty-free, and will thus have to begin over again with new marks.

Another anomaly is, that White and Coloured goods made of 30s. yarn or under, and Coloured Yarns of 30s. and under, are not admitted free like Grey Cloths and Grey Yarns. The intention which Government had in view, in taking its first steps towards the reduction of these duties, was no doubt to remove protection which our local mills were supposed to enjoy, and it was not thought that their production could possibly compete with anything but certain grey goods. There is no doubt, however, that the natives do largely bleach and dye goods

and yarns for themselves all over the country; and it therefore comes about that importers who devote themselves more exclusively to white and coloured goods are handicapped to the extent of the duty. There is no apparent reason why an importer should not be allowed to bleach or dye a piece of grey shirting made of 30s. yarn, or under, if he chooses to do so, because there is no duty on colour *per se*. The duty on dyed yarn, for instance, is charged only upon the grey weight and not upon the dyed weight. What practical difference therefore can there be to the customs whether 30s. yarn is dyed or not, and "pari passu" what difference can be drawn in such a case betwixt yarn and goods made of such yarn, whether grey, colored, or bleached ?

The Committee submit that there are strong and weighty reasons why what appears to them a substantial grievance should be removed. It is seen how the trade in duty-free grey goods and yarns has developed, and it seems only right and fair that merchants who devote themselves to the importation of white and coloured goods should be put in a position to extend their efforts in similar lines. It can be shown that even now many important classes of goods under these denominations could be imported made of duty-free yarns, and there is no reasonable doubt that the variety could be largely extended were the duty removed.

The Committee point with satisfaction to the assurances given last March by His Excellency the Viceroy in Council, and by the Financial Member, "that every thing which interferes with the natural operations of trade, every thing which imposes artificial restrictions, or gives artificial advantages, cannot fail to be mischievous." The

anomalies just named appear to include all these disadvantages, and therefore ought to be abolished.

But here arises the important question—how is this to be done? This Chamber has always favoured the reduction or abolition of these duties so long as the exigencies of the State did not require their retention, and it is therefore now unnecessary to enter upon the principle involved in levying them. If the Government can afford to do so, it would be well to abolish them; but if not, and if they must be replaced by some other tax, direct or indirect, then let them be retained in as mild a form as possible. But in the latter case let the incidence be just and not allowed to heavily handicap any section of the trade.

It is in the recollection of the Committee that the initial efforts to deal with these duties were based on a desire to avoid protecting our local industry against Lancashire, and that the restrictions named under the first schedule confined the working of the Act to only certain articles specifically named. In March last, however, it was found that the concession previously made had not touched the real evil, and that large quantities of goods, almost identical with those which had been freed from duty, were debarred from the advantages of the remission. Thereupon the Government at once declared that "it is "not reasonable that certain goods should be admitted free "while large quantities of goods of almost precisely the "same character in every thing but name remain liable to "duty." These words apply exactly to the anomalies to which the Committee are drawing attention, with this difference, that the hardship is not caused by the competition betwixt Lancashire and our local mills, but by competition

amongst Lancashire manufacturers themselves to secure the full benefit of the Government of India's last Act. They do not, however, carry less weight on this account, and the Committee think that the Government would be fully justified in applying them in the present instance, and still further extending the limit of remission.

The Committee are well aware what the financial result of such a modification would be. They append a statement shewing how rapidly and extensively the importation of duty-free goods has increased during the last 10 months, and they estimate that of the duty on grey shirtings alone (which pay about 65 per cent. of the whole duty on grey goods) the revenue is now losing fully 55 per cent., and the duty likely to be obtained this year will probably be still further lessened: other descriptions will also shew a decrease. In fact, a point has been reached where the Government of India may with justice ask if these duties on grey goods ought to be retained at the expense of so small a portion as now remains beyond the pale of exemption.

To all appearence these duties are dying a natural death, and as that process involves serious anomalies and hardships, it is a question whether the present is not a fitting moment to abolish them *in toto*. To the Committee there does not appear any other course open consistent with the declarations of Government to which they have referred.

An alternative course has however been suggested, *viz.*, to maintain the duties, but to make them general and not partial. It may be demonstrated, from the figures annexed to this letter, that the relief given to Lancashire last year has not taken the direction of the Bombay or

local productions, but has rather left them alone and gone straight at the root of the article supplying the chief item of revenue, *viz.*, shirtings, an article not made in this country at all, but the chief staple of Lancashire itself. The cry for protection has thus lost all its force, and if the exigencies of the State require the maintenance of a duty at all, then no objection on principle could lie against the levying of—say—2½ per cent. all round, or any other moderate per-centage. Such a course would have the merit of removing the anomalies of which the Committee complain, and would at the same time provide a revenue easy of collection and not objected to by the millions who pay it. It would, moreover, do away with the constant friction between importers and the Customs authorities under the present system of "testing" duty-free goods. Under this system numerous bales are cut open and rendered unsuitable for transmission up-country, and have in consequence to be re-sold at a heavy loss, either privately or by auction. As the authorities have declared that no other safe "test" can be found, the Committee see no cure for the evil but the entire exemption of all goods, or the taxation of all alike.

---

The following are the figures of some of the chief imports into Calcutta in the last ten months :—

## GREY SHIRTINGS.

| | Dutiable. Pieces. | Per cent. | Free. Pieces. | Per cent. | Total. Pieces. |
|---|---|---|---|---|---|
| March ... | 5,55,569 | 97·8 | 12,650 | 2·2 | 5,68,219 |
| April ... | 11,25,049 | 98·3 | 19,720 | 1·7 | 11,44,769 |
| May ... | 8,70,837 | 88·6 | 1,12,187 | 11·4 | 9,83,024 |
| June ... | 6,59,339 | 75.4 | 2,15,086 | 24·6 | 8,74,425 |

## GREY SHIRTINGS.—*Continued.*

| | | | | | | |
|---|---|---|---|---|---|---|
| July | ... | 4,44,414 | 64·2 | 2,47,355 | 35·8 | 6,91,769 |
| August | ... | 3,49,657 | 58·2 | 2,51,492 | 41·8 | 6,01,149 |
| September | ... | 4,89,754 | 50·8 | 4,74,260 | 49·2 | 9,64,014 |
| October | ... | 2,64,354 | 43·8 | 3,38,835 | 56·2 | 6,03,189 |
| November | ... | 4,70,857 | 45·2 | 5,71,011 | 54·8 | 10,41,848 |
| December | ... | 2,60,109 | 37·9 | 4,26,392 | 62·1 | 10,86,501 |

## GREY DHOOTIES.

| | | Dutiable. pairs. | Per cent. | Free. pairs. | Per cent. | Total. pairs. |
|---|---|---|---|---|---|---|
| March | ... | 4,09,467 | 100·0 | 0 | 0·0 | 4,09,467 |
| April | ... | 5,88,124 | 97·9 | 19,221 | 2·1 | 6,07,345 |
| May | ... | 5,59,030 | 99·8 | 1,239 | 0·2 | 5,60,261 |
| June | ... | 4,32,409 | 93·5 | 30,162 | 6·5 | 4,62,571 |
| July | ... | 5,62,269 | 92·2 | 47,488 | 7·8 | 6,09,757 |
| August | ... | 5,91,886 | 66 7 | 2,95,119 | 33·3 | 8,87,005 |
| September | ... | 12,40,918 | 70 6 | 5,15,769 | 29·4 | 17,56,687 |
| October | ... | 6,39,542 | 61 8 | 3,94,435 | 38·2 | 10,33,977 |
| November | ... | 10,99,094 | 80·0 | 2,74,976 | 20·0 | 13,74,070 |
| December | ... | 7,54,260 | 73·8 | 2,67,208 | 26 2 | 10,21,468 |

## GREY T. CLOTHS.

| | | Dutiable. Pieces. | Per cent. | Free. Pieces. | Per cent. | Total. Pieces. |
|---|---|---|---|---|---|---|
| March | ... | 4,859 | 16·2 | 25,180 | 83·8 | 30,039 |
| April | ... | 7,776 | 17·0 | 37,836 | 83·0 | 45,612 |
| May | ... | 5,614 | 12·7 | 38,416 | 87·3 | 44,030 |
| June | ... | 18,882 | 43·3 | 24,717 | 56·7 | 43,599 |
| July | ... | 10,804 | 16·3 | 55,466 | 83·7 | 66,270 |
| August | ... | 6,903 | 12·0 | 50,545 | 88·0 | 57,448 |
| September | ... | 29,757 | 22·5 | 1,02,364 | 77 5 | 1,32,121 |
| October | ... | 32,333 | 23·6 | 1,04,395 | 76·4 | 1,36,728 |
| November | ... | 21,078 | 12·5 | 1,47,596 | 87·5 | 1,68,674 |
| December | ... | 5,477 | 4·8 | 1,07,478 | 95·2 | 1,12,955 |

## GREY CHUDDERS & SCARVES.

| | Dutiable. Pairs. | Per cent. | Free. Pairs. | Per cent. | Total. Pairs. |
|---|---|---|---|---|---|
| March ... | 9,799 | 83·7 | 1,913 | 16·3 | 11,712 |
| April ... | 5 | 0 | 10,001 | 100 0 | 10,006 |
| May ... | ... | ... | ... | ... | ... |
| June ... | 62 | 2·7 | 2,252 | 97·3 | 2,314 |
| July ... | 0 | 0 | 6,450 | 100.0 | 6,450 |
| August ... | 8 | 0 | 27,797 | 100·0 | 27,805 |
| September ... | 8 | 0 | 82,033 | 100·0 | 82,041 |
| October ... | 601 | 1·2 | 47,022 | 98·8 | 47,623 |
| November ... | 3,807 | 3·4 | 1,07,902 | 96·6 | 1,11,727 |
| December ... | 166 | 0·4 | 48,089 | 99·6 | 48,255 |

## GREY MADAPOLLAMS.

| | Dutiable. Pieces. | Per cent. | Free. Pieces. | Per cent. | Total. Pieces. |
|---|---|---|---|---|---|
| March ... | 72,017 | 100·0 | 0 | 0 | 72,017 |
| April ... | 1,72,697 | 88·6 | 22,009 | 11·4 | 1,94,906 |
| May ... | 1,69,371 | 93·9 | 11,036 | 6·1 | 1,80,407 |
| June ... | 1,63,700 | 84·4 | 30,396 | 15·6 | 1,94,187 |
| July ... | 1,13,994 | 84·0 | 21,687 | 16·0 | 1,35,681 |
| August ... | 1,39,670 | 84·8 | 25,024 | 15·2 | 1,64,694 |
| September ... | 1,67,073 | 90·2 | 18,106 | 9 8 | 1,85,179 |
| October ... | 1,43,735 | 88·2 | 19,253 | 11·8 | 1,62,988 |
| November ... | 2,32,303 | 84·4 | 42,973 | 15 6 | 2,75,276 |
| December ... | 1,56,943 | 80 4 | 38,325 | 19·6 | 1,95,268 |

## OTHER GOODS.

(Except Grey Mulls and Grey Jacconets.)

| | Dutiable. Pieces. | Per cent. | Free. Pieces. | Per cent. | Total. Pieces. |
|---|---|---|---|---|---|
| March ... | 121 | 19·2 | 6,169 | 80·8 | 6,290 |
| April ... | 254 | 24·8 | 770 | 75·2 | 1,024 |
| May ... | 714 | 74·1 | 250 | 25·9 | 964 |
| June ... | 2 | 0 3 | 753 | 99·7 | 755 |

**OTHER GOODS.**—*Continued.*

| | | | | | | |
|---|---|---|---|---|---|---|
| July | ... | 2 | 1·7 | 114 | 98·3 | 116 |
| August | ... | 978 | 23·9 | 3,100 | 76·1 | 4,078 |
| September | ... | 10,573 | 41·2 | 15,110 | 58·8 | 25,683 |
| October | ... | 9,969 | 29·4 | 23,923 | 70·6 | 33,892 |
| November | ... | 23,286 | 30·9 | 54,085 | 69·1 | 77,371 |
| December | ... | 5,127 | 21·8 | 18,373 | 78·2 | 2,35,000 |

*From Goverment of India to Chamber,—No. 76—Calcutta, 5th March* 1880.

I am directed by the Governor-General in Council to acknowledge your letter of the 17th January on the subject of the duties levied on cotton goods, and to thank the Chamber for the information which it has laid before the Government, and for the observations which it has made.

It was not found possible to reply fully to the letter of the Chamber before the publication of the financial statement for the coming year. I am now directed to refer to paras. 71 to 89 of that statement which contain an explanation of the conclusions of the Government of India on the subject of the cotton duties, and on other questions connected with the Customs' tariff.

*Paras, 71 to 89 of Financial Statement.*

71. There are, my Lord, various questions connected with the customs tariff to which I must now refer.

Beginning with the import duties, there is first the duty on cotton goods, and this is a subject of which I cannot speak without some reserve, because there has been in times past, as everybody knows, no unanimity of opinion

regarding it among the members of the Government. Speaking as I now am on behalf of the Government generally, I desire to say nothing to which any of my colleagues might take exception, and although it will not be possible for me altogether to avoid the expression of my own opinions on questions of past and future policy, I hope it will be understood that I shall, in giving such opinions, be stating only what I myself think.

The Government does not at present propose to make any alteration in the duties actually levied on cotton goods. There are, however, obvious and serious defects in the existing system, and no one can say that it can long be maintained.

72. The measures taken during the last two years, whatever other results may have followed, have at least effected the particular object for which they were declared necessary. They have for the present removed all grounds for the complaint that we were levying protective duties in favour of the Indian mills in their competition with English manufacturers. Some classes of English goods may be unduly favoured in comparison with other classes of English goods; but no protection remains for the special benefit of goods produced in India.

When, last year, Your Excellency decided that it was impossible to defend the maintenance of the duty on certain classes of cotton goods, because it had a distinctly protective character, it was thought right to make a considerable sacrifice of revenue for its immediate removal. Whether the course adopted was right, as I then thought and think still, or whether it was wrong, is a question which I will not now discuss, but the Government feels

that it cannot at the present moment go further; or submit to loss of revenue beyond that which the measures of the last two years have rendered unavoidable.

73. I must say something of the effect which those measures have actually produced. Mr. Hope's Commission stated in its report last year that the remission of duty on all goods made of thirties and under "would probably soon affect a complete revolution in the piece-goods trade," and it quoted, in support of its own conclusions, a report by Mr. Pritchard, the Commissioner of Customs in Bombay, who, with reference to this remission, wrote as follows:—

"It will operate to create a new class of shirtings made of yarns 28 by 29 or 30, instead of the present standard quality of 32 by 36. This will pass free of duty, and, if it finds favour in the market, will take the place, to a large extent, either of the long cloths or of the shirtings now used, or of both."

The Commission also quoted the following opinion of a large mercantile firm:—

"There can be no doubt that a trade in cloth made of yarn just within the limit of exemption of duty would be fostered, and which might gradually become of considerable importance. Such cloth would probably be appreciated by consumers for its intrinsic value as well as for its comparative cheapness owing to there being no duty upon it; and if this should be the case it might do away with the importation of cloth made of yarns varying from 32s. upwards."

74. I quote these passages, because the actual results have closely corresponded with the anticipations thus formed by the Commission, and adopted by the Govern-

ment. The chief difference has been that those results have followed more rapidly that either the Commission or the Government expected.

The immediate consequence of the exeption from duty of goods containing no yarn of a higher number than 30s. was the rapid development of the manufacture and import of a new class of goods made of 30s. and lower counts. In consequence of their superior cheapness these duty-free goods have rapidly become popular; and the experiment having thus proved successful, the tendency is now to make of the coarser yarns all cloth for which they can be used, and to substitute the coarser for the finer fabrics formerly made of yarns ranging from 30s. to 40s. This process has already reached such a point that last month the duty-free shirtings and long cloths constituted more than 74 per cent. of those kinds of imported goods, and the dutiable qualities of some other classes of goods have almost disappeared from the market. We estimated last year that we might lose in the first year revenue to the amount of £150,000, and in subsequent years more. It is now probable that the loss in the first year, now about to close, will be nearly £230,000, and for the coming year it is estimated at £20,000 more.

75. Now, clearly the present state of things is not satisfactory. We are holding out to English manufacturers a strong inducement to supplant finer by coarser classes of goods, and it has been forcibly represented that these and other anomalies ought not to be left uncorrected. I may refer in particular to a letter addressed to us by the Bengal Chamber of Commerce. The Chamber points out that the declaration made last year by the Government, that

"it is not reasonable that certain goods should be admitted free, while large quantities of goods of almost precisely the same character in everything but name remain liable to duty," is still true, with this difference that the hardship is now "not caused by the competition between Lancashire and our local mills, but by competition amongst Lancashire manufacturers themselves, to secure the full benefit of the Government of India's last act. They do not, however, carry less weight on that account." The letter of the Chamber has been seen by the Council; I need not repeat the forcible illustrations which it contains of the anomalies which now exist, but I fully admit the accuracy of its statements.

The Chamber says that "to all appearance, these duties are dying a natural death, and as that process involves serious anomalies and hardships, it is a question whether the present is not a fitting moment to abolish them *in toto*. To the Committee there does not appear any other course open, consistent with the declarations of Government, to which they have referred."

76. If I could now put aside financial considerations, I should say that this conclusion of the Chamber is perfectly right. I may add that the alternative course which it has suggested as possible, namely, the recall of last year's exemptions, and the re-imposition of a uniform duty of 2½ per cent. on all imported cotton goods, would not only be, in my opinion, objectionable in itself, but seems impracticable, because it would be opposed to the policy laid down for our guidance by Parliament and by Her Majesty's Government. That policy was declared on the 4th April 1879, by the House of Commons, in the following Resolution :—

"That the Indian import duty on cotton goods, being unjust alike to the Indian consumer and the English producer, ought to be abolished, and this House accepts the recent reduction in these duties as a step towards their total abolition, to which Her Majesty's Government are pledged."

I need not pursue this subject further. It is impossible to deny that the present state of things is anomalous and objectionable. The Government will give to this question in the future that constant attention which its importance demands, but it cannot, at the present moment, make the large sacrifice of revenue which its complete solution would involve, and as a provisional arrangement meanwhile, it does not seem possible to draw any line better than that drawn last year. The abolition of the remaining duties on cotton goods would cost us £615,000, in addition to the £250,000 which we have given up already.

I may remind the Council that the measures of last year were not hastily taken, and that they were in precise accordance with the specific recommendations of the Chambers of Commerce of Manchester, of Bengal, and of Bombay. I may add that although I cannot doubt that the objections to which I have referred must have been felt as strongly in Lancashire as anywhere else, the Government has not received from the English manufacturers any complaints regarding them.

77. Although, my Lord, I do not intend to discuss the propriety of the course that has been followed in regard to the removal of the duty on cotton goods, I must ask your Excellency's permission to say a few words on what is, in some respects, a personal matter. We are constantly

told that these measures have been adopted in disregard of the interests of the people of India, and in obedience to the selfish demands of the Manchester manufacturers. If, my Lord, we had indeed manipulated, in the interests of England, or of any political party in England, the taxes paid by the people of India, our conduct would have been not only shameful and odious but absolutely criminal, and I, as your Excellency's chief constitutional adviser in the financial measures of the last two years, must have borne my share of the responsibility. But for myself who have taken part in these measures, I wish to say that I hardly remember the time when I did not argue, in the interests of India, for the removal of these and all other restrictions on her commerce. I advocated the abolition of these duties before to the best of my belief. Manchester had herself discovered that she was injured by them, and long before Lord Salisbury had proved in his despatches, in a manner which seems to me unanswerable, the serious injury which they were inflicting upon this country. As I said in my first Financial Statement three years ago, I would not have accepted my present office if I had not hoped that I should have an opportunity of co-operating with your Excellency in carrying out what I may say, without exaggeration, have been the convictions of a life-time. I have had that opportunity. The cotton duties are, in my opinion, virtually dead.

78. Before leaving this subject, I think it right once more to point out that we ought not to shut our eyes to the consequences which, as it seems to me, must inevitably follow from the loss of the cotton duties. Whether those consequences ought, as I believe, to be welcomed as fraught with a great development of wealth and pros-

perity to India, or ought, as others think, to be looked on as disastrous, we cannot wisely shut our eyes to the fact that the abolition of the duty on cotton goods will involve in all probability the loss of a great part of our revenue from sea customs. In the Financial Statements for 1877-78 and 1878-79, this was clearly pointed out. In the former of these, I said that I looked forward with confidence to the almost total abolition of customs duties in India, and I used these words:—

"I do not know how long a period may elapse before such a consummation is reached, but whether we see it or not, the time is not hopelessly distant when the ports of India will be thrown open freely to the commerce of the world."

My Lord, the fulfilment of this vision seems to me now not far off. It was shown in the Financial Statement for 1878-79 that, putting aside the duties levied on salt and alcoholic liquors, which stand on special grounds, and on which internal excise duties corresponding with the customs duties are imposed, there would remain, apart from the cotton duties, a very small amount of import duties. Taking the estimates for the coming year, the nett sum which we except to receive from the sea customs duties, exclusive of salt, alcoholic liquors, and arms, is £1,115,000. The cotton duties will yield, say, £615,000, and, if I am right in believing that they must ultimately be altogether given up, our whole import duties would then yield only about £500,000. The truth is that cotton goods are the sole article of foreign production which the people of India, now largely consume, and there is no present possibility of a large customs revenue from any

thing else. Will it be possible, when cotton goods have been freed from duty, still to tax woollen goods and many other articles? And can it be believed that we should long maintain our customs establishments for the sake of obtaining the insignificant revenue that would remain?

79. I know only one suggestion which seems to deserve discussion, for saving a considerable portion of our customs revenue. I do not remember by whom it was first made, but I have heard of it for a good many years past. I believe that it really had its origin in a plan which at one time Mr. Gladstone thought of for England. My hon'ble friend, Mr. Hope, has lately given it his attention.

Starting with the assumption that our customs tariff on its present footing cannot be maintained, this suggestion is that, instead of customs duties properly so-called, we should, with certain exceptions, levy on all articles imported into India, and possibly also on those exported, a registration fee at a very low rate. In this way, it is urged, we might obtain a considerable revenue in an unobjectionable way. I give no opinion of my own, much less do I give any opinion on behalf of the Government, in favour of this scheme, and all I say of it is that it deserves to be considered.

## REGISTRATION-FEES IN PLACE OF DUTIES.

THIS subject has engaged the Committee's attention, and as there seemed to be considerable diversity of opinion on it members have individually been asked to express their views thereon.

The result is that a very large majority are against any change, and would prefer to let things remain as they are rather than embark on a new and untried scheme, such as that referred to by Mr. Hope. A letter embodying these views has since been written to Government, and there the matter rests for the present.

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*From Bengal Chamber of Commerce.*

*Calcutta, 8th March 1880.*

*Circular to Members.*

DEAR SIRS,—In furnishing you with the accompanying copy of the Hon'ble Mr. Hope's speech, in the Budget debate, on the proposal to substitute a registration-fee in lieu of the present import and export duties, the Committee desire to draw attention to the great importance of the matter, and to invite an expression of your views on the subject.

In the opinion of the Committee a registration-fee to an amount not exceeding one per cent. on the value of imports would not be materially felt, provided all goods are properly classified, and the charge fixed at so much per package on bales and cases, and so much per cwt. or ton on iron and other articles sold by weight. Such a measure would do away with the constant friction and worry at the Custom House, and would, for that reason alone, be worth the light charge indicated. The Committee would oppose strongly any attempt to fix a charge on value *per se*, or the continuation of the present inquisitorial system by appraisers or other officials.

As regards exports, the Committee are of opinion that, except on those articles such as jute, indigo, &c., of which India enjoys a practical monopoly of production, no charge should be made. In the case of products which are not affected by the competition of other countries, a light registration-fee would be comparatively unobjectionable.

If the proposal is ever carried out, the agency of the Port Commissioners might be utilised in Calcutta for the collection of the fees. Such an arrangement would greatly contribute to the convenient working of the scheme so far as the public are concerned, and be less expensive to Government.

As the Committee think the subject is one on which they should have the views of members generally, they will be glad if you will communicate with them on or before the 20th instant, to enable them to address Government on the subject. Should no reply be received from you to this reference by that date, the Committee will assume that you concur with the above general expression of their views.

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The Hon'ble Mr. Hope then said :—

My Lord : the Hon'ble Sir John Strachey, in his recent Financial Statement, alluded to the scheme for saving a considerable portion of our customs revenue by the substitution of registration-fees for customs duties. He gave no opinion of his own or on behalf of the Government, but he said that the scheme deserved to be considered, and he made allusion to myself, as having lately given it my attention. It will probably be expected that, in

response to this invitation, I should offer to the Council and the public some explanation on the subject.

This explanation I must preface by two very distinct provisos: I have no intention of discussing the propriety of the policy which the present Government has followed regarding the cotton duties and other items of the tariff, and I beg that nothing which I may have to say in elucidation of my subject may be taken as even indirectly raising such an issue. Moreover, I do not to-day come forward as the proposer of registration-fees; my position is not that of an advocate, but analogous to that of an enquirer giving an account of his investigations, or a judge summing up evidence for the consideration of a jury.

The discussions consequent on the Tariff Act of 1875 naturally led me to look into the whole history and structure of the Indian Tariff, and to consider all possible changes and alternatives. The idea of registration-fees, which is, as the Hon'ble Sir John Strachey has told us, a very old one, then had its share of attention, and I again examined it in 1876, when an opinion that many of the main heads of the tariff did not yield enough to justify their retention was first emphatically urged on the Government of India. The matter, however, had no present importance until 1878, when the Notification of March 18th abolished the duties levied on certain coarse cotton goods, and under twenty-seven main heads of the tariff. In this practical declaration that a duty was indefensible if it either was at all protective, or did not yield a sum absolutely as well as relatively large, together with the important exposition of customs policy contained in the Financial Statement of that year, was clearly fore-

shadowed the end of the bulk of the import duties. At the same time the financial difficulty of dispensing with such an important item in the Indian revenues was obvious, and I, therefore, after my return from England a year ago, obtained Sir John Strachey's permission, with full official aid, for investigating the registration-fee question in a more thorough manner than I had hitherto found practicable. I may here acknowledge the valuable assistanee I received from Mr. J. D. Maclean, the Collector of Customs at Calcutta, from Mr. O'Connor, the Assistant Secretary in the Department of Finance and Commerce, and also from the Head Appraiser at the Custom-house, Mr. Phipps. A few days ago, too, Mr. J. W. O'Keefe, a member of the Committee of the Bengal Chamber of Commerce, and recently my colleague on the Tariff Valuation Committee, kindly placed at my disposal some very interesting and useful calculations and suggestions drawn up by himself a couple of years since. But though I have been told that the registration-fee idea has been more than once mooted in India, I have been unable to discover on record one single line, official or demi-official, about it, and have therefore had to work it out *ab initio*, on what I suppose to be its first principles.

Registration-fees I understand to mean a charge upon *all* articles of import and export (except a few otherwise dealt with on special grounds), imposed primarily with the view of covering the cost of registering and publishing statistics of trade and navigation for the benefit of the commercial public, but enhanced for revenue purposes slightly beyond the actual cost of such statistics. The excess charge is in reality a customs duty, laid on quite

irrespective of protectiveness or other general considerations, and defended on the ground, first, that it is needed for revenue, and, secondly, that it is practically inappreciable by trade.

I will now relate my working out of the scheme on this basis. To be practically inappreciable by trade, it is evident that the form in which the fee is levied must be that which puts trade to the least possible trouble, delay, and indirect expense, and that the rate of the fee must be extremely low.

As to form, existing commercial practice might be largely followed. The denominations under which various descriptions of goods pay freight, dock dues, quay fees, landing and other charges, are the gradual outcome of long experience, and will be found a valuable, though not infallible, guide. In other words, weight, number, measurement, customary package (*i.e.*, bale, chest, case, bundle, &c.,) and the like, will each be found to have its peculiar appropriateness for certain goods, which may be charged accordingly. Again, on whatever goods already pay dues to the Port Commissioners, the registration-fee might be included in their bill, so that one payment would cover everything, and the merchant would be saved all separate dealing with customs officers. In many cases the fee might be paid in stamps affixed to a bill, manifest, port clearance, or other document.

As to rate of fee, it would seem that one per cent. is the very highest which could be imposed consistently with the principle. As to whether one per cent. would be "practically inappreciable by trade" or not, I have received very conflicting opinions from mercantile men. Some contend that one per cent. is one per cent., and

hat in these hard times everything tells: others rejoin that the one per cent. duty on iron, for instance, and many even heavier private trade charges, have not the slightest effect on the market. I must hasten to explain, however, that I do not mean that any goods, excepting possibly some few for which this would be the fairest course, should be charged the fee *ad valorem*, but merely that the fees fixed per ton, package, &c., should not have a higher incidence than this on the value of the goods.

To draw up schedules of fees suitable in form and amount to the different classes of goods would evidently be a task of some difficulty, to be performed only by a Committee of experts, in which the mercantile community must be largely represented. The fees would have to be convenient round sums, and owing to this and to fluctuations in value, there might often be inequality in their incidence on different articles. But such inequality necessarily accompanies tariff valuations under the present system; the maximum being one per cent. it could here only extend to some petty decimal, and it would be redressed periodically by revision, such as tariff valuations now undergo. Whether such a Committee could produce satisfactory schedules or not has been disputed. I am not prepared to affirm that it could. But I have been assured by excellent mercantile authority that the thing is quite feasible, and would incidentally produce much greater equity in Port Commissioners' and similar charges; and I am inclined to think so.

The next point presenting itself is, what branches or classes of trade should be subjected to the fee. It has been strongly urged on me, by both official and commercial authorities, that the coasting trade should pay it

but I am totally unable to concur. The coasting trade could not be made liable without subjecting it to a vast amount of restriction from which it is now free, and reversing the policy of liberating it as much as possible which I followed in the Sea Customs Bill, now Act VIII. of 1878. I cannot see why goods moved by sea from one part of British India to another should pay a fee any more than goods so moved by land, and we surely are not going to re-establish transit duties throughout India. Moreover, goods moved from port to port would pay over and over again. As to other branches, it would be highly objectionable to levy a fee on treasure; and re-exports, which now get the benefit of drawback, should perhaps be exempt. Another exception to the registration-fee system would be in the case of articles on which it was necessary, for special reasons, to maintain the existing duties—that is to say, arms, bearing a high duty for political reasons; salt and liquors, on which we levy an excise; opium, nominally, but for the maintenance of our monopoly; and rice. The case of rice is a peculiar one, but I need not discuss it, as it has just been fully explained by the Hon'ble Sir John Strachey. In short, the fee system, if introduced at all, might fairly apply to the whole external import and export trade excepting the classes I have just mentioned.

I will now turn to the financial aspect of the measure. From the Trade and Navigation Statements for 1878-79, calculations have been made distinguishing every sub-head of the tariff, and applying to the quantities and values, fees expressed (provisionally) in the denominations used for the statements, and not exceeding one per cent. in incidence. The result thus arrived at cannot be far

different from that which fees according to schedules eventually prepared by a Committee would yield.

The total receipts in 1878-79 from import and export duties, excluding salt, were £2,273,000. Deducting £200,000 for loss by reduction of cotton duties in 1879-80, and £56,000 for indigo and lac just made free, we have customs revenue of £2,017,000, from which further heavy loss through importations of free cotton goods is anticipated. Deducting from this, again, the duties to be retained, namely, £5,600 for arms, £361,000 for liquors, and £570,300 for rice, we arrive at a balance of £1,079,000 derived solely from duties which would come under the registration-fee scheme. The fees are calculated to produce on imports £388,000, on exports £420,000, and by saving in customs establishments about £80,000, total £888,000. This shows a loss of £191,200, compared with the £1,079,000 just mentioned. But this loss would be a final loss, and the fee revenue would increase in future with the trade of the Empire, whereas, as things now are, the Financial Statement contemplates a loss of £50,000 in 1880-81 from importation of grey duty-free goods alone, and the ultimate disappearance of £615,000 more for cotton duties, if not the abolition of the whole import tariff.

Such are, roughly speaking, the aspects which a registration-fee system, supposing I rightly understand it, would present if applied to British India.

Those who approve of the system would probably support it by some considerations as the following:— Whatever may happen to customs duties in general, some customs establishment must be maintained to levy duty

on salt, liquors, and the other special items. The quantities, value, and other particulars of all the sea-borne trade, whether free or not, must always be collected and tested for statistical returns, such as the Board of Trade compiles and publishes in England, and a charge may fairly be made for this. Port Commissioners, who levy certain fees on all goods, now exist at Calcutta, Bombay, and Rangoon, and will probably soon be constituted at Karachi—four ports which engross between them 88 per cent. of the whole trade of India. It is just as easy for a clerk to levy four annas in one bill as two annas. Why not utilise all this inevitable machinery for a registration-fee system securing a large sum for revenue purposes, and at the same time getting rid of a mass of customs officials and restrictions, with all the friction they involve? Again, this system will practically, as has been said in a Calcutta newspaper, "lay for ever the phantom of protection." Theoretically, it of course will not do so, since articles imported, which can also be produced in India, will be weighted with the fee, but the fee will be so light as to have no practical effect. Mr. Laing in 1861, and many high authorities since, have argued that an import duty was justifiable on articles similar to any produced at home if its amount was so moderate that it could not seriously affect trade, and that the establishment of a corresponding excise was not worth while. If this argument was good for anything when used, as it was, in support of a duty of five per cent. and upwards, it is infinitely stronger in support of a fee of only 1 per cent. At any rate, the system may well be accepted by all parties as an *eirenicon*, removing all grounds of bitterness and ill-will between India and Manchester, and as sub-

stituting an unexceptional source of revenue "expansive in proportion to the progress of the Empire," or a heterogeneous mass of duties open to, and destined to fall before, numerous economical objections.

On the other hand, the advocates of a total remission of customs duties may be expected to produce obvious objections. "One per cent. is one per cent.," they will say, a burden on trade and a protection of home industries, just as bad in principle at one per cent. as at five per cent., but not so productive, and reaching numberless articles now absolutely free. Again, the fee can never be absolutely equal and equitable unless charged *ad valorem*, which would be very vexatious. Round sums must be fixed, which will vary in real incidence according to market prices. Inequality of incidence *ad valorem* is justifiable in wharfage or Port Commissioners' charges, because packages occupy space, or cause labour in hoisting and removal, quite irrespective of their value, but to the case of a fiscal fee this does not apply. Moreover, £200,000 out of the proposed fees on imports will be derived from cotton goods, so the whole remaining import trade will be taxed for the paltry sum of £188,000! No duty, fee, or whatever else you please to call it, is worth the trouble of collecting if less than five per cent. Finally, the export portion of the scheme is especially obnoxious. Export duties, excepting where there is virtually a monopoly of the foreign market, are equally condemned by economists and politicians. Sir William Muir denounced them emphatically in 1875 with the concurrence of Lord Northbrook, and no one pretending to education or common sense can say a word in their favour. It is no use in this case to talk of the lightness of the fee. The

Indian export trade (except in rice) lives "by the skin of its teeth," and cannot bear the slightest fiscal impost. Quick and easy communication, with competition, have so cut down profits, that one per cent. often makes all the difference between gain and loss on a shipment.

To this attack, the rejoinder may be offered that we cannot regulate practical questions by the theories of doctrinaires, and *de minimis non curat lex:* that one per cent. *is* inappreciable in all trade not of a purely speculative and unsound character; that on exports the fee might be only a half per cent., though this concession is not really necessary, that the "inequality of incidence" objection to the fee applies equally to tariff valuations, which are used by all nations as an unobjectionable convenience; and that as we must make some charge for keeping trade statistics, the opportunity of aiding the revenue by a slight enhancement of it should not be thrown away.

I must not ignore another class of objectors, who will demur to the entire proposition that the whole cotton duties, much less the other import duties, are either "dead" or dying. They will contend that the recent reduction of cotton duty has gone entirely into the pockets of Manchester instead of benefitting the Indian consumer, that the cotton duties remitted should be re-imposed, and that even if they should eventually be removed, the other duties should be maintained on revenue grounds, as they are collected easily and without pressure. They will be for sacrificing nothing except upon compulsion, and for living on in hope of a change of policy. But regarding such objections I can only note their existence, for to do

more would be to raise the whole question of policy, from which I began by declaring my intention to abstain.

My Lord, I have stated to the best of my ability the case for and against the project of registration-fees. It is fortunately not necessary for me to draw any conclusion, and I do not mean to do so, or to point at any. The subject in its principles and details needs general discussion and consideration by the public, and after that a decision could only be formed in full view of the doom of the existing duties and of the alternatives presented. In the abstact, I presume that almost everyone would prefer no duties. I myself, when moving the consideration of the Sea Customs Bill in February 1878, expressed the following opinion:—

"The second step by which custom-house restrictions might be further and very largely relaxed is by alteration of our Customs Tariff. If it were possible in lieu of the fifty or sixty main heads of the Import Tariff, to have duties on only six or seven important, well-defined and readily distinguishable articles, the relief afforded in the matter of preventive scrutiny, check, stoppage, seizure, and the like, and informalities, would be enormous. It is, of course, no part of my duty to indicate or suggest any policy of this sort on general grounds. What I say is said merely in connection with the subject of customs procedure now before us."

Whether the alternative to a registration-fee is to be absolute freedom, or the substitution of some other specified form of taxation, is a consideration material to the issue, and until the time has arrived, if it ever does arrive, when the Financial Member and the Executive Govern-

ment think it necessary to present the question in a complete form, no final opinion can be satisfactorily arrived at.

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*The following figured statement has been furnished to the Committee by the Hon'ble Mr. Hope since the publication of his speech, and is added thereto for the information of Members of the Chamber.*

| | | | |
|---|---|---|---|
| Total duties* 1878-9, excluding Salt— | | | |
| Imports ... | | 1,64,68,050 | |
| Exports ... | | 62,66,400 | |
| | | | 2,27,34,450 |
| Deduct— | | | |
| Duties lost, Cottons ... | | 20,00,000 | |
| Indigo & Lac ... | | 5,61,745 | |
| | | 25,61,745 | |
| Duties retained—† | | | |
| Arms ... | 56,167 | | |
| Liquors ... | 36,19,504 | | |
| Opium ... | — | | |
| Rice ... | 57,03,457 | | |
| | | 93,79,128 | |
| | | | 1,19,40,873 |
| Remainder duties to which fee system would apply: ... | | | 1,07,93,577 |

* See monthly Trade and Navigation Accounts for March 1879 pages 60 to 63.

† See Financial Statement 1880-1, page 21.

| | | | |
|---|---|---|---|
| Registration-fees— | | | |
| At 1% | on Imports by list | 36,79,977 | |
| | ,, Sundry articles | 2,00,000 | |
| At ½% | ,, Exports .. | 21,00,651 | |
| Establishment saving .. | | 8,00,000 | |
| | | | 67,80,628 |
| Difference loss .... | | | Rs. 40,12,949 |

## THE TRADES AND PROFESSIONS TAX BILL.

This was a bill introduced in the Legislative Council, and intended to supersede the License Tax. The Committee entered a strong protest against the proposed legislation, believing the tax to be in reality an income-tax under an assumed name, and even more objectionable in many of its provisions. The only clauses to which the Committee could assent were those exempting the trading classes earning Rs. 500 and under, and the recognition of the principle so long contended for, that the tax should be extended to the official and professional classes. The proposed legislation was abandoned, and the License Tax extended with the alteration as regards exemption of the poorer classes. The Committee regret that the Government once more abandoned the idea of taxing the official and professional classes,—a course which cannot be too strongly condemned.

*From Chamber to Government of India.*

*Calcutta, 15th December* 1879.

THE Committee of the Chamber of Commerce have had under consideration a Bill lately introduced into the Council of the Governor-General for making Laws and Regulations, entitled the Trades and Professions Tax Bill, 1879, which is intended to repeal the various Acts passed early in 1878 for licensing trades and dealings throughout India, and they request permission to lay before His Excellency and the Council their views on the proposed measure.

It appears to them desirable at present rather to discuss the principles than the details of the Bill, reserving what they have to say regarding the latter for another communication.

The objections to the Bill to which the Committee desire to draw prominent attention are two-fold:—

*First.*—That while it is intended to take the place of the various License Acts now in force, it is by no means a parallel measure with those which it repeals; and, *second*, that no necessity whatever has been shown for such a radical alteration in the existing law as is now proposed, or for the imposition of fresh taxation in a shape peculiarly unsuited to this country.

As regards the first point, the Committee would observe that when the Bills which it is now proposed to repeal were introduced into the Council, it was distinctly stated by responsible members of the Government that their object was to provide a special fund to constitute an insurance against famine, which would relieve Govern-

ment in future of the extraordinary charges they had been called upon to bear in respect of the famines which were then fresh in the memory of the public, and which, as was pointed out, the ordinary revenues of the country were inadequate to meet. For a purpose such as was indicated the public generally acquiesced in the necessity of taxation, and although the form which this taxation took was somewhat freely discussed at the time, and the Bills, in consequence of this discussion, underwent considerable modification between the time of their introduction and their being passed into law, still the general character of the tax and the purpose to which the proceeds of it were to be applied were steadfastly maintained.

The present Bill, however, entirely ignores the scheme of providing an insurance fund against famine, which was brought into such prominent notice by Government last year as the one justification they put forward for imposing additional burdens on the public. Indeed the new tax is now declared to be intended to form a part of the regular fiscal system of the country, and the Committee notice with regret that it is proposed to expunge from the preamble of the new Bill the important statement which appeared in that of the License Act, namely, that it was imposed with the object of effecting "a permanent increase of the revenue in order to provide means for defraying the public expenditure from time to time incurred, and to be incurred, for the relief and prevention of famine in British India."

Besides all this, the character of the tax is entirely altered. Instead of being a license-tax with a fixed maximum payment, the Bill under discussion is, to all

intents and purposes, an income-tax under another name, and its collection must be accompanied by the inquisitorial and oppressive proceedings which rendered that impost so odious, when it was previously in operation, as to lead to its deliberate and final abandonment in 1873.

The Committee of the Chamber desire to protest, in the most earnest manner, against the proposed reversal of a policy deliberately adopted after an exhaustive enquiry only six years ago. The result of the investigation, conducted prior to the abolition of the Income Tax Act in 1873, was to show, in the clearest and most unmistakable manner, that the assessment and collection of the taxes imposed by that measure were attended by very great oppression and extortion on the part of subordinate officials; and in the face of the very strong objections to the Income Tax then recorded by the Executive Officers of Government throughout India, the Committee of the Chamber cannot but think that only a case of the most extreme urgency would justify the levy of an impost so closely resembling it as the proposed measure does.

This leads the Committee to remark upon their second objection to the Bill, namely, that so far no attempt has been made to show that any necessity exists for such a radical change in the law as this Bill seeks to effect, or for imposing any fresh taxation. The amount proposed to be surrendered in raising the limit of incomes affected by the present License Act is declared to be only £240,000, and the Committee cannot but hope that the efforts of Government in the direction of economy and the general elasticity of the revenue, as referred to hereafter, will amply suffice to meet this loss. The public have

not been made aware of the amount of savings likely to be effected by the recent reductions of expenditure ordered by Government, but they are led to believe they will be very considerable. It also appears from the accounts published in the *Gazette of India* of the 6th instant that some branches of the public revenue are likely to yield considerably more than the estimates, and the Committee would beg to call attention to the following figures taken from the latest published Government accounts.

1.—The statement of Government Cash Balances, dated the 6th instant, shows that these had increased, on 31st October last, by very nearly three crores of rupees, as compared with the balances for the corresponding period of last year.

2.—The same *Gazette* publishes the amount of the Secretary of State's drawings up to the end of last month, from which it appears that the loss by exchange upon about nine and a half millions sterling, drawn up to that date (being nearly two-thirds of the whole amount estimated to be drawn during the current financial year), has been upwards of 51 lakhs less than the Budget Estimate. Assuming that the average rate of exchange at which the Secretary of State's Bills have so far sold will be maintained until March next, the saving for the year under this head will amount to at least 76 lacs.

3.—It also appears that the Opium Revenue to date is better than the estimate by nearly 77½ lacs.

4.—It further appears by the published accounts of railway traffic from 1st January to 18th October 1879, that the nett receipts from this source are likely to exceed the Budget Estimate by probably 40 lacs.

Without founding anything on the increase which has taken place in the Cash Balances, the Committee would point to the general improvement in the financial position of nearly 2 crores of rupees, as shown by the other three items, as follows:—

| | | |
|---|---|---|
| Saving of loss by exchange ... | ... | 76 lacs. |
| Additional revenue from Opium | .. | 77½ „ |
| Additional revenue from Railways | ... | 40 „ |
| | | 193½ lacs; |

besides which the receipts from Salt and other branches of public revenue exhibit a satisfactory increase as far as can be ascertained from the latest published accounts.

Looking to the above figures, the Committee cannot help expressing their astonishment that, in order to make up a sum of £240,000, additional taxation, of the nature contemplated by the Bill under consideration, is sought to be passed wihout any attempt being made to satisfy the public that the necessity exists for such a measure. It is certainly desirable, in the interests of the Government itself, that an onerous tax of this description should not be imposed without taking the public into their confidence, and giving ample time for discussion so as to satisfy the country that the measure is really required. So far as the information now before the public goes, there is not only nothing to show that the finances require to be supplemented in the manner proposed, but a widespread impression exists that Government can now afford to dispense with the License Tax altogether.

The Committee are therefore strongly of opinion that the very fullest explanations on these points, accompanied

by a detailed statement of the present and prospective position of the public finances, are looked for by the country before any attempt is made to pass into law a measure so distasteful to all sections of the community as the proposed Bill must of necessity be.

What the country chiefly requires at present is rest after the bad harvests and general depression of trade during the last few years, and that the prospect of improvement now happily in view should not be clouded by vexatious changes in the law, which would have the effect of adding to the public burdens at a time when the people are ill able to bear them.

Having regard to what they have stated above, the Committee beg to urge, most respectfully but strongly, the entire reconsideration of the proposed measure.

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*From Chamber to Government of India.*

*Calcutta, 12th February* 1880.

Referring to my letter of 15th December, I am desired by the Committee of the Chamber of Commerce to say that they have hitherto delayed submitting their views on the details of the Trades and Professions Tax Bill, as they expected that the Bill as revised by the Select Committee, to whom it was referred at the meeting of the Legislative Council on 24th December last, would have been published ere this. The Committee were glad to learn from the Honorable Sir John Strachey's speech at that meeting, that Government were prepared to make important modifications in the Bill as originally published; and their object in addressing you now is to ask if time will be given, after the publication of the revised Bill, for

an expression of opinion on some points of detail connected with the Bill, as to which members of the Chamber entertain very strong objections.

The Committee desire me to briefly indicate in this communication some of the clauses of the original Bill to which objection is taken :—

*Clause* 5.—The publication of lists instead of serving regular notices of assessment.

*Clauses* 4 *and* 6.—The injustice of assessing any person who is only beginning business upon an amount which it is uncertain will be earned.

*Clause* 9.—The excessive amount of penalty for non-compliance with sections 6 and 7.

*Clauses* 14 *to* 16 *and* 22.—The liability of private employers to Government for the amount of tax due by their employés. This provision is strennously objected to by all large employers of labour, and if persevered with, will, it is believed, cause the most serious public and private inconvenience in the way of acting as a direct incentive to strikes.

*Clause* 17.—The unfairness of requiring an employé to pay the tax twice over, if his employer (whom it is proposed to make an agent of Government for the collection of tax) happens to become insolvent.

The Committee trust that when the revised Bill is published, it may be found that many of the clauses in the original Bill, to which very strong objections are taken, may be so modified as to largely remove such objections; but it would be satisfactory, in any case, to know that ample opportunity will be given to the public to consider

and remark on the amended Bill before it is finally passed.

## FACTORY LABOR BILL.

THE amendments introduced into this proposed measure have had the attention of the Committee, whose letter of the 18th March last, as given below, fully expresses the general views and opinions of the Chamber. A meeting of members and others more directly interested in the matter was held to consider the Bill in its amended form, and the Committee understand the opinion was unanimous that its provisions would prove injurious to the growing industries of Jute and Cotton manufactures in Bengal.

*From Chamber to Government of India.*
*Calcutta, 18th March* 1880.

IN November 1878 the Chamber of Commerce received from the Government of Bengal a communication relative to a Bill to regulate labor in factories, which it was proposed to pass into law, and the Committee replied to it on the 22nd February following.

The information obtained by the Committee in answer to their enquiries as to the necessity for legislation on the subject satisfied them not only that it was wholly uncalled for in this Presidency, but that any attempt to make it compulsory would give rise to great dissatisfaction; further, that—not taking into account the opposition to the

measure, expressed with entire unanimity, by the owners of mills and factories and by others interested in such industries—the classes of operatives are now so numerous, especially in the immediate vicinity of Calcutta, that they would not lack advocates to publish their grievances did any exist; and that the entire absence of complaint on the part of factory operatives themselves, and of attempts on the part of others to find grievances for them, might well be considered conclusive evidence that factory labor was most popular wherever it was within reach of the laboring classes.

Agreeing with the universal judgment of the public in this respect, the Committee communicated to the Government of Bengal their grounds of opposition to the proposed Bill and to the principle of restrictive legislation as regards labor contracts.

The Bill was subsequently referred to a Select Committee of the Legislative Council of the Governor-General, whose report has been recently published, and the Bill as amended by them has been submitted to His Excellency's Council, with the recommendation that it be passed after publication in the *Gazette of India*.

While admitting that the amended Bill contains less vexatious and uncalled-for restrictions than were embodied in the original draft, the Committee of the Chamber desire to represent that even the obnoxious provisions that have been eliminated were less objectionable than the material alteration which converts the optional and permissive character of the Bill into compulsory application to the whole of British India; and the original purpose of applying the Bill only to those parts of the country to

which it might, from time to time, be extended as circumstances demanded, has been essentially varied by the substitution of a provision which at once places every factory—as interpreted by the 2nd section—under legislative regulations and restrictions, whatever may be the conditions of the factory system in different parts of the country.

Upon a careful review and re-consideration of the entire question, the Committee of the Chamber submit that there is no justification for the application of the proposed measure to Bengal; that if it is absolutely a necessity in other Provinces—a point on which they express no opinion—its compulsory extension to the whole of India ought not to be insisted upon merely on the assumption that restrictions essential in some cases may be essential in all; that no good or reasonable grounds have been shown for altering the character of the Bill; that all interference with freedom of labor contract is a mischievous impediment in the course of industrial enterprises which confer substantial advantages upon the working classes occupied in their development; and that no instances have been brought forward where the lives and health and liberty and proper treatment of the hands employed in factory service have been endangered by any abuse of the system as it prevails in this Province.

For these reasons, as well as on the grounds fully stated in their letter on the 22nd February to the Government of Bengal, the Committee of the Chamber of Commerce respectfully record their opposition to the application of the proposed Bill to the territories under the jurisdiction of His Honor the Lieutenant-Governor of Bengal.

## TRADE-MARKS BILL.

THE Committee have expressed their strong opposition to this Bill as unnecessary and uncalled-for, and they hope it will not be proceeded with. As the Bill is a short one it is here re-produced, together with the Report of the Select Committee thereon.

### LEGISLATIVE DEPARTMENT.

We, the undersigned Members of the Select Committee to which the Bill to provide for the registration of Trade-marks was referred, have the honour to report that we have considered the Bill and the papers noted in the margin.

From Chief Commissioner, Ajmeer and Merwara, No. 557, dated 23rd July, 1879 [Paper No. 1].

„ Secretary to Chief Commissioner, Mysore, No. G. 3789—J. 8, dated 4th August, 1879 [Paper No. 2].

„ Secretary for Birar, to Resident, Haidarabad, No. 16, dated 16th August, 1879 [Paper No. 3].

„ Secretary to Government, Punjab, No. 737C, dated 25th August, 1879, and enclosures [Papers No. 4].

„ Officiating Secretary to Chief Commissioner, Central Provinces, No. 3528—187, dated 25th August, 1879 [Paper No. 5].

„ Acting Chief Secretary to Government, Madras, No. 2062, dated 18th August, 1879, and enclosures [Papers No. 6].

„ Secretary to Chief Commissioner, Assam, No. 1625, dated 2nd September, 1879 [Paper No. 7].

„ Secretary to Government, Bengal, No. 3765, dated 9th September, 1379, and enclosures [Papers No. 8].

2. The most important question we have had before us is as to the mode in which trade-marks already registered in England should be dealt with. The Bill, as introduced, confers no privilege whatever upon such trade-marks. It puts them upon the same footing as any other foreign trade-marks, and requires them to be

From Acting Under-Secretary to Government, Bombay, No. 5694, dated 20th September, 1879, and enclosures [Papers No. 9].

,, Acting Chief Secretary to Government, Madras, No. 2474, dated 25th September, 1879, and enclosures [Papers No. 10].

,, Officiating Secretary to Chief Commissioner, British Burma, No. 221—1381, dated 23rd September, 1879 [Paper No. 11].

,, Secretary to Government, North-Western Provinces and Oudh, No. 2707, dated 29th September, 1879, and enclosures [Papers No. 12].

,, Acting Under-Secretary to Government, Bombay, No. 6051, dated 8th October, 1879, and enclosures [Papers No. 13].

,, Hon'ble J. Pitt-Kennedy, dated 16th January 1880 [Paper No. 14].

Extract paragraph 1, from despatch from Secretary of State for India in Council, No. 45, dated 24th December, 1879, and enclosure [Paper No. 15]

registered here, in precisely the same manner as if they had never been registered in England. This, it must be admitted, would entail much trouble and a considerable expenditure of time and money, which it would, if possible, be most desirable to avoid. Moreover, the provisions of the Bill being substantially identical with those of the English Statutes, the questions and disputes which would arise with reference to the registration of a trade-mark in England, would frequently arise again, in much the same form, with reference to its registration here, and thus much of the work would be done twice over. Several suggestions have been made with a view to avoiding or overcoming this difficulty.

3. The first we would notice (and we understand it to be one of the alternative suggestions put forward by the Calcutta Chamber of Commerce) is to the effect that the measure should be restricted to trade-marks used in connection with Indian products, all other trade-marks, including English trade-marks, being left on the same footing as they now are, that is to say, on the same footing as trade-marks were in England before the legislation of 1875-76.

This suggestion is one which we should be unwilling to adopt. We believe that the result of adopting it would be, not only that we should leave by far the larger proportion of the trade-marks now in use in this country on an unsatisfactory footing, but, further, that we should be compelled to withhold, even from the limited class of trade-marks to which we should restrict our legislation, the benefit of some of the most important provisions of the proposed measure.

4. If, for example, the Bill were restricted in its operation to trade-marks used in connection with Indian products, we could not, as it seems to us, retain the section which confers on a person registering a trade-mark, a presumptive title at once and conclusive title after five years; for to do so would be to put it in the power of, say, an Indian manufacturer of piece-goods to place upon the register as his own, trade-mark of some well-known Manchester manufacturer. The Manchester manufacturer could not protect himself against this beforehand by registering the mark in India, for the register would not be open to him, and thus when he discovered what had been done, he would be compelled to go into Court to contest the registration in the face of a presumption created by the law in favour of his adversary, or worse still, if the five years passed without his discovering the trick, might lose his right to the trade-mark altogether. And if the Bill were cut down so as to avoid this and other like results, we doubt whether it would be worth while proceeding any further with the proposed legislation.

5. Putting aside then this suggestion, which would exclude English trade-marks altogether from the operation

of the Bill, we have next to consider the suggestion that they should, if registered in England, be placed upon the register here as a matter of course, and without any previous notice or inquiry.

This we understand to be the second of the two alternative suggestions of the Calcutta Chamber of Commerce, and it is, at all events, the suggestion put forward by the Manchester Chamber in their letter to the Secretary of State, which they say that they support the Bill with the proviso that "previous registration of a trade-mark [in England] shall be accepted as proof of ownership and right of registration in India also, as in the case of other countries having trade-mark conventions with Great Britain."

6. We do not know on what the Chamber found their statement that the registration of a trade-mark in England is accepted in countries having trade-marks conventions with Great Britain, as proof of ownership and right of registration.

From an examination of the reports relative to trade-marks legislation in foreign countries presented to Parliament in 1879, it would appear that, though the laws of some European countries require a foreign owner of a trade-mark to register his mark at home before applying for registration in those countries, such previous registration is nowhere accepted as dispensing with any of the formalities or precautions prescribed by law as preliminaries to registration in other cases. The only privilege that appears to be anywhere accorded to a foreigner, who has registered his mark at home, is in Austria, where it is said that marks, which would not ordinarily be recognized

as trade-marks, are not refused registration on this account, if the applicant can show that they have been registered as trade-marks in his own country (page 4 of the reports above referred to).

7. But, however this may be, we think it clear that, under a law like the present Bill, which makes registration at first starting presumptive evidence, and after a time conclusive evidence, of title, no such privilege as we understand the Chamber to ask for can be conceded to foreign registration.

If the registration of a trade-mark in England were to give the registered owner an absolute right to have it registered here, without any previous public notice of his application, it would be no difficult matter for a manufacturer who desired to appropriate a mark which was in use in this country, but had not been registered, to get it registered in England, and then have it registered here, thereby acquiring, at once, a presumptive title to it. There being no public notice to be given of his application, his proceedings would probably pass unobserved, and if he only had the patience to refrain from using the mark for five years, he might acquire an absolute title to it as against the true owner.

8. No doubt the true owner might preclude the possibility of this by himself registering the mark as soon as he designed it, or, in the case of marks in use when this Bill becomes law as soon as the Bill passes; but to drive him to do this would be in effect to establish a compulsory system of registration; in other words, to establish a system essentially different from that contemplated by the English legislation on the lines of which we are proceeding.

9. Having thus disposed of the suggestions which have been made to us, to be the only practicable solution of the question.

It appears to us that if we could require that every trade-mark presentod for registration in this country should have enfaced on it, or incorporated with it, or superadded to it, some distinctive inscription or device prescribed by the Government, and of such a nature as to strike the eye at the first glance, there would be no reason why we should not frame our Bill so as to give to registration in England precisely the same effects as we give to registration here. The result of insisting on such a distinctive inscription or device would, in fact, be that every trade-mark registered here would be essentially a different mark from any registered in England, and so no question could ever arise between the owner of a mark entered upon the one register, and the owner of a mark entered upon the other.

10. We are quite aware that, in the case of certain articles, some degree of ingenuity would be required to ensure that the inscription or device prescribed was really of so distinctive a nature, and so striking, as to make the mark to which it was added practically a new mark, without, at the same time, obscuring its original features; but we believe that no serious difficulty would be found in any case, while in the vast majority of cases the matter would be simple enough. In the case, *e.g.*, of the ordinary marks on piece-goods, perhaps the most important class of marks with which we should have to deal, we believe that the words "Indian mark," printed diagonally across the mark, would be all that would be required.

11. It has been objected that the working of the system we propose would be liable to be interfered with by persons registering, in England, trade-marks bearing the distinctive device or inscription prescribed by the Government here. We presume that we have nothing to fear on the score, as we suppose the Registrar in England would have power, or could easily be given power, to refuse to register a mark bearing that device or inscription, except on the application of the Indian registered owner; but if there should be any reason to apprehend that such marks might be registered in England in the name of another person, we could meet the difficulty thence arising, by providing that, in such a case, no effect should be allowed here to the English registration.

12. We have not overlooked the fact that there are trade-marks in use in British India which are the property of Frenchmen, Germans, and other foreigners, and are used by them in connection with businesses carried on by them in their own countries; but we do not think that what we propose would involve any hardship to the owners of such marks. They would be on precisely the same footing as British subjects; that is to say, they could always have their marks registered here by adding to them our distinctive inscription or device, or, if they preferred it, they could register the mark in England in its original shape without any such addition.

13. We have amended the Bill so as to give effect to our suggestions, but, seeing that none of us here have had any experience of the working of any system of registration of trade-marks, we do not think it would be safe for the Council to take any further action regarding the Bill

until it has been submitted in its amended form for consideration, not only to the Chambers of Commerce in this country, but also to the Manchester Chamber of Commerce, the Registrar of trade-marks in England, and such other individuals or public bodies, in England, as may be most competent to form an opinion on such a matter.

14. In concluding this portion of our report, it is, perhaps, convenient that we should state what, in our opinion, should be done in the event of the course we now propose not meeting with the approval of the persons concerned.

We think that in such an event, the only course open to the Council would be to require trade-marks registered in England to be registered afresh here after the publication of the usual notice, and according to the ordinary procedure, and the only concession which could, in our opinion, be made to the owners of such trade-marks, would be that already referred to as at present made in Austria, *viz.*, that no objection should be taken to their marks, on the ground that they were not trade-marks within the meaning of the Act.

We believe that this would be deemed an important concession, especially when it is borne in mind that the matter of determining whether a particular mark is a trade-mark, within the meaning of the Act, or not, is, at least, in the case of cotton-marks, one of such labour and difficulty that it has been found necessary to appoint a Committee of experts to deal with it in England. But important as this concession is, we are by no means sure that it would satisfy the majority of the registered owners of trade-marks in England, whose main object seems to be to get rid of the trouble and expense involved in the

issue of notices and the hearing of objections, and it is for this reason we advocate the alternative course suggested above.

15. The only change of substantial importance which we have made in the Bill, in addition to those involved in the recognition of English registration, consists in the insertion of a section (3), requiring a Deputy Registrar to be appointed at Bombay, and giving power to appoint one at any other place in British India.

This provision has been inserted with a view to meeting, as far as possible, the wishes of the Bombay Chamber of Commerce. We regret to say that we find it impossible to give effect to that Chamber's recommendation that the High Courts at Bombay and Madras, as well as the High Court at Calcutta, should be appointed as Courts to control the registration of trade-marks. As, in order to secure the objects of a law like this, there must be but one register upon which all marks registered in British India shall be brought, so likewise there must be but one judicial authority to control the making and maintenance of that register. It would, we think, be most inconvenient to have three High Courts, all independent of one another, and with no common superior nearer than the Queen in Council, empowered to direct the Registrar to make or cancel entries in his register. Under such a state of things cases would inevitably arise in which conflicting orders would be issued by different Courts, and endless trouble and confusion would result.

16. In the form of the Bill, we have made several changes which do not seem to call for special mention here We may, however, state that with a view to making the

Bill more complete in itself, and more intelligible to those who will have to work it if it becomes law, we have introduced into it several sections (13 to 18), containing provisions which the English Act relegates to rules. As these provisions, if not introduced into the body of the Act, would certainly be made here, as they have been in England, in exercise of the power to make rules which the Act confers, the change is of little importance.

17. The publication ordered by the Council has been made. We think, however, with reference to what we have said above in paragraph 13, that the Bill as now amended should be re-published, and that a copy of it should be sent to the Secretary of State in Council, together with a copy of this report.

*The 28th February*, 1880.

WHITLEY STOKES.
A. J. ARBUTHNOT.
T. C. HOPE.
E. C. MORGAN.

## NO. II.
## THE INDIAN TRADE-MARKS BILL, 1880.

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13. Removal of trade-mark after fourteen years, unless fee paid.
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15. Power of Governor-General in Council to restore trade-mark.
16. Trade-mark like one removed not to be registered for five years.
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*Alteration of Trade-marks.*

18. Alteration of non-essential parts of trade-mark.

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19. Governor-General in Council may make rules to carry out Act.

*Effects of Registration and of Omission to register.*

20. Title of first proprietor of a trade-mark.

21. Title of proprietor claiming by transmitted proprietorship.

22. Trade-mark to devolve only with good-will.

23. Registration equivalent to public use.

24. Registration of trade-marks.

*Miscellaneous.*

25. Saving of existing jurisdiction of Court. Registrar to rectify register on notice from them.

26. Certificate of Registrar to be evidence.

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## NO. II.

A

BILL

TO

*Provide for the registration of Trade-marks.*

Preamble.

WHEREAS it is expedient to provide for the registration of trade-marks; It is hereby enacted as follows:—

Short title.

1. This Act may be called "The Indian Trade-marks Act, 1880:"

Local extent.

It extends to the whole of British India;

Commencement.

and it shall come into force at once.

*Registration of Trade-marks.*

Appointment of a Registrar.

2. The Governor-General in Council shall establish at Calcutta a registry of trade-marks, and shall from time to time appoint an officer, by name or in virtue of his office, to register trade-marks and the proprietors thereof.

The officer so appointed is hereinafter called "the Registrar."

Deputy Registrar.

3. The Governor-General in Council shall appoint at Bombay, and may appoint at any other place in British India, an officer to be styled the Deputy Registrar to discharge such functions of the Registrar other than that of entering marks in the register as may, from time to time, subject to the control of the Governor-General, in Council, be delegated to him by the Registrar.

Application for registration.

4. Any person claiming to be entitled to the exclusive use of a trade-mark which has not been registered under this Act may, subject to the provisions of this Act and of the rules made hereunder, apply to the Registrar to register such mark and to register him as proprietor of such mark.

Any person to or upon whom a trade-mark registered under this Act has been transferred or has devolved may, subject as aforesaid, apply to the Registrar to register him as proprietor of such mark in the place of the person registered as proprietor at the date of the application.

5. No trade-mark shall be registered under this Act, unless it consists of one or more of the essential particulars hereinafter mentioned, together with such additional particulars as the Governor-General in Council may, from time to time, by an order in writing, prescribe in this behalf; but there may be added to any one or more of the said essential particulars any letters, words or numerals, or combination of letters, words or numerals.

What trade-marks may be registered.

The essential particulars referred to in the first clause of this section are as follows:—

(*a*) a name of an individual or firm printed, cast, impressed or woven in some particular and distinctive manner; or

(*b*) a written signature or copy of a written signature of an individual or firm; or

(*c*) a distinctive device, mark, heading, label or ticket:

Notwithstanding anything hereinbefore contained, any special and distinctive word or words, or combination of numerals or letters used as a trade-mark before the passing of this Act may be registered as such under this Act if the additional particulars prescribed by the Governor-General in Council have been added thereto.

6. A trade-mark must be registered as belonging to particular goods or classes of goods.

Trade-mark to be registered for class of goods.

7. The Registrar shall not, without the special leave of the High Court of Judicature at Fort William to be given on motion or in such other

Registration not to be granted without leave of Court in certain cases.

manner as such Court may direct, register in respect of the same goods or classes of goods—

(*a*) a trade-mark identical with one which is already registered with respect to such goods or classes of goods; or

(*b*) a trade-mark so nearly resembling a trade-mark already registered with respect to such goods or classes of goods as to be likely to deceive.

Registration when not to be granted.

8. The Registrar shall not register, as part of, or in combination with, a trade mark, any scandalous or obscene designs, or any words or numbers if the exclusive use of such words or numbers would, by reason of their being calculated to deceive or otherwise, be disentitled to protection in a Court.

Certificates of refusal to register.

9. When an application by any person to register as a trade-mark a device, mark, name, word, combination of words or other matter or thing which has been in use as a trade-mark before the passing of this Act, and to which the additional particulars prescribed by the Governor-General in Council have been added, has been refused, the Registrar shall, at the request of the applicant and on payment by him of the fee prescribed by the rules made under section nineteen, grant him a certificate of such refusal, and shall also, if so required, state in such certificate his reasons for such refusal.

A certificate so granted shall be conclusive proof of such refusal.

Rectification of Register.

10. If any person who is not for the time being entitled to the exclusive use of a trade-mark is registered under this Act as a proprietor of such trade-mark, or

If the Registrar refuses to register, as proprietor of a trade-mark, any person who is for the time being entitled to the exclusive use of such trade-mark, or

if any mark is registered as a trade-mark which is not authorized to be so registered,

any person aggrieved by such registration or refusal may apply by motion, or in such other manner as the said Court may direct, for an order of the said Court that the register may be rectified.

The said Court may either refuse such application, or it may, if satisfied of the justice of the case, make an order for the rectification of the register, and award damages to the party aggrieved.

Case of several persons claiming to be registered in respect of same mark.

11. When each of several persons claims to be registered under this Act as proprietor of the same trade-mark, the Registrar may refuse to comply with the claims of any of such persons, until their rights have been determined by the said Court.

The Registrar may himself submit, or require the claimants to submit, their rights to the said Court, by stating a case under section five hundred and twenty-seven of the Code of Civil Procedure, or in such other manner as the said Court may direct.

What Court may decide in proceedings under Act.

12. The said Court may, in any proceeding under section ten, or section eleven, decide—

(*a*) whether a mark is or is not such a trade-mark as is authorized to be registered under this Act;

(*b*) any question as to the right of any person who is a party to such proceeding to have his name entered on the register of trade-marks, or to have the name of some other person removed from such register; and

(*c*) any other question that it may be necessary or expedient to decide for the rectification of the register.

Notice to be given by order of Court.

Whenever any order has been made rectifying the register, the Court shall by its order direct that due notice of such rectification be given to the Registrar.

*Removal of Trade-marks from Register.*

Removal of trade-mark after fourteen years, unless fee paid.

13. At a time not being less than two months nor more than three months before the expiration of fourteen years from the date of the registration of a trade-mark, the Registrar shall send a notice to the registered proprietor that the trade-mark will be removed from the register, unless the proprietor pays to the Registrar, before the expiration of such fourteen years (naming the date at which the same will expire), the prescribed fee; and if such fee be not previously paid, he shall, at the expiration of one month from the date of the giving of the first notice, send a second notice to the same effect, and if such fee be not paid before the expiration of such fourteen years, the Registrar may, after the end of three

months from the expiration of such fourteen years, remove the mark from the register, and so, from time to time at the expiration of every period of fourteen years.

Payment of additional fee after expiration of fourteen years.

14. If before the expiration of the said three months the registered proprietor pays the said fee, together with the additional prescribed fee, the Registrar may, without removing such trade-mark from the register, accept the said fee as if it had been paid before the expiration of the said fourteen years.

15. Where after the said three months a trade-mark has been removed from the register for non-payment of the prescribed fee, the Governor-General in Council may if he is satisfied that it is just so to do, restore such trade-mark to the register on payment of the prescribed additional fee and compliance with such conditions as he may think just.

Trade-mark like one removed not to be registered for five years.

16. Where a trade-mark has been removed from the register for non-payment of the fee or otherwise, such trade-mark shall, nevertheless, for five years after the date of such removal be deemed, for the purpose of section seven, and not for any other purpose, to be a trade-mark which is already registered.

Removal of trade-mark where no business in goods.

17. The said Court may, on the application of any person aggrieved, remove any trade-mark from the register after the expiration of five years from the date of the registry thereof, on the ground that the registered proprietor is not engaged in any business connected with goods of the same class as the goods with respect to which such trade-mark is registered.

*Alteration of Trade-marks.*

Alteration of non-essential parts of trade-mark.

18. The registered proprietor of any trade-mark registered uudert this Act may, by leave of the said Court, alter such trade mark, so that he do not alter any one or more of the essential or additional particulars referred to in section five, and the Registrar shall, on payment of the prescribed fee and compliance with the rules made hereunder, alter the register accordingly.

*Subsidiary Rules.*

Governor-General in Council may make rules to carry out Act.

19. The Governor-General in Council may, from time to time make rules consistent with this Act as to—

(*a*) the manner in which applications for registration of trade-marks shall be made ;

(*b*) the notices to be given by advertisement before the registration of trade-marks ;

(*c*) the classification of goods for the purposes of this Act ;

(*d*) the registration of first and subsequent proprietors of trade-marks ;

(*e*) the hearing of objections and the granting of certificates of refusal to register ;

(*f*) the fees to be charged for registration of trade-marks, for the continuance of a trade-mark on the register, for granting certificates of refusal to register anything as a trade-mark, and for the performance of any other duty under this Act or the rules made hereunder ;

(*g*) the removal from the register of any trade-mark;

(*h*) the form of notices under this Act, the mode of addressing and serving such notices, and the proof of such service; and

(*i*) the persons entitled to inspect the register, and generally for the purpose of carrying this Act into effect.

Such rules shall be published in the *Gazette of India*, and shall thereupon have the force of law.

*Effects of Registration and of Omission to register.*

20. The registration under this Act or under the law relating to trade-marks for the time being in force in the United Kingdom, of a person as first proprietor of a trade-mark shall be *primâ facie* proof, and, after the expiration of five years from the date of such registration, conclusive proof of his right to the exclusive use of such trade-mark, subject to the provisions of this Act or such law as to its connexion with the goodwill of a business.

Title of first proprietor of a trade-mark.

21. Every person registered under this Act or under the said law as proprietor of a trade-mark subsequently to the first person so registered shall, as respects his title to such trade-mark, stand in the same position as if his title were a continuation of the title of the first person so registered.

Title of proprietor claiming by transmitted proprietorship.

22. A trade-mark when registered under this Act, or under the said law, shall be transferred, and shall devolve only in connexion with the goodwill of the

Trade-mark to devolve only with goodwill.

business concerned in the particular goods or classes of goods, with reference to which it has been registered, and shall be determinable with such goodwill.

Registration equivalent to public use.

23. Registration of a trade-mark, whether under this Act or under the said law, shall be deemed to be equivalent to public use of such mark.

Registration of trade-marks.

24. From and after the first day of January, 1881, no person shall be entitled to institute any suit or other proceeding to prevent, or to recover damages for, the infringement of any trade-mark, unless such trade-mark is registered, and he is registered as proprietor thereof under this Act or under the said law;

but nothing in this section shall apply to any device, mark, name, combination of words or letters, or other matter or thing—

(*a*) which has been in use as a trade-mark before the passing of this Act, to which the additional particulars referred to in section five have been added, and which the Registrar has refused to register under this Act, or

(*b*) which was in use before the thirteenth day of August, 1875, and in respect of which a certificate has been granted under the 39 & 40 Vic., c. 33.

*Miscellaneous.*

Saving of existing jurisdiction of Courts.

25. The provisions of this Act conferring a special jurisdiction on the High Court of Judicature at Fort William shall not, except so far as such jurisdic-

tion extends, affect the jurisdiction of any other Court in suits or proceedings relating to trade-marks.

Registrar to rectify register on notice from them.

If the register requires to be rectified in consequence of any proceedings in any such other Court, the Court shall give the Registrar notice of such requirement, and he shall rectify the register accordingly.

Certificate of Registrar to be evidence.

26. The certificate of a Registrar appointed under this Act or under the law relating to trade-marks for the time being in force in the United Kingdom as to any entry, matter or thing which he is authorized by this Act, or any rules made hereunder, or by the said law or the rules made thereunder, as the case may be, to make or do, shall be evidence of such entry having been made, and of the contents thereof, and of such matters and things having been done or left undone.

## TELEGRAPH SERVICE.

### PROPER NAMES OF PERSONS AND PLACES USED ADJECTIVELY NOT ADMISSIBLE AS CODE-WORDS.

THE Committee regret that they have again to complain of the unreasonable alterations in the Telegraph Rules by the late Convention in London. No good cause has been shown for the latest change, whereby proper names of persons and places are not admissible as code words, and the mercantile community have just grounds for protesting against such constant alterations. The

Committee regret the despotic manner in which these matters are dealt with, and their representations ignored.

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*From Director-General of Telegraphs to Chamber,—No.* 2840, *Calcutta,* 22*nd December* 1879.

I HAVE the honor to inform you that the Eastern Telegraph Company, Limited, has communicated to this Department notice of a ruling of the British Post Master-General, to whom the question had been referred, that proper names of persons and places used adjectively, such as "Greek, English, British, German, French," &c., will not be admissible as code-words under the new Regulations.

I have the honor to be,
Sir,
Your most obedient Servant,
(Sd.) R. MURRAY, *Colonel,*
*Director General of Telegraphs in India*

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*From Chamber to Director-General of Telegraphs, Calcutta,* 29*th December* 1879.

I have the honor to acknowledge the receipt of you letter No. 2840 of the 22nd instant, and, by direction for the Committee of the Chamber of Commerce, to request the favor of your submitting, for their information, an illustration of the mode in which the ruling of the British Post Master-General is to have effect as regards the inadmissibility as code-words, under the new regulations, of proper names of persons and places used adjectively.

*From Director-General of Telegraphs to Chamber,—No.* 2880T., *Calcutta, the* 29*th December* 1879.

Replying to your letter of this date respecting the ruling of the British Post Office that proper names used adjectively will not be accepted as code-words, I have the honor to acquaint you, for the information of the Committee of the Chamber, that I am now in communication with England, by telegraph, on the subject of this decision, and that I shall not fail to inform you of the result as soon as the information I have asked for is received.

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*From Director-General of Telegraphs to Chamber,—No.* 2920T., *Calcutta, the* 30*th December* 1879.

In continuation of my No. 2880T. of yesterday, I have the honor to inform you that I regret my inability to give you any further illustration of the ruling of British Post Master-General respecting proper names in code messages than that contained in my letter of the 22nd December 1879, No. 2840T.

2. Proper names, whether used as adjectives or substantives, cannot be accepted as code-words. With this exception, no words of ten letters and less which belong to one of the admitted languages can be refused.

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*From Bombay Chamber.*

*Bombay, 1st November* 1879.

I am directed to forward to you copies of the Memorial which this Chamber has addressed to His Excellency

the Viceroy on the subject of the new rules and restrictions passed by the International Telegraph Convention recently held in London, also copies of the letter addressed by this Chamber to the Director-General of the Post Office of India, with regard to the anomalies in the rates of postage chargeable in India upon letters and newspapers addressed *viâ* Brindisi to the United Kingdom, compared with the rates charged on letters and newspapers addressed *viâ* Brindisi to the Continent of Europe and America.

My Committee desire me to express their hope that these representations, which are of great importance to mercantile interests, will receive the cordial support of your Chamber.

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*From Chamber to Bombay Chamber.*

*Calcutta, 12th December* 1879.

I have the pleasure to acknowledge the receipt of your letter of 1st ultimo, forwarding copies of your Chamber's Memorial to His Excellency the Viceroy on the subject of the new telegraph rules applicable to foreign messages, and of your letter to the Director-General of the Post Office as to the rates charged on letters and newspapers addressed to the United Kingdom *viâ* Brindisi as compared with the rates charged on covers by the same route for transmission to Europe and America.

With reference to the former subject, I am instructed to place at your disposal copies of this Chamber's letter to the Government of India, which fully endorses your representation as to the objectionable character of the re-

vised rules and the very serious inconveniences to the commercial public which will assuredly result.

Your letter to the Director-General of the Post Office had the Committee's careful attention, and they fully concurred in the views submitted by you as to the anomaly which appeared to exist in the rates of postage chargeable on covers to the United Kingdom as compared with the rates charged on covers addressed to Europe and the United States: but before they had the opportunity of taking up the subject, they were in possession of the Director-General's reply, which they think gives good reasons for the mode in which the postage is charged; and they conclude that your Chamber is also satisfied with the explanation.

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To His Excellency the Right Honourable LORD LYTTON, G.C.S.I., VICEROY AND GOVERNOR-GENERAL OF INDIA.

The Memorial of the Bombay Chamber of Commerce.

RESPECTFULLY SHEWETH,—

That at the International Telegraph Convention, recently held in London, the following rule was adopted, which, if carried out, will be productive of very great inconvenience and expense to mercantile interests, *viz.*:—

"Proper names of persons and places in the text of code messages must be used only in their natural sense."

That practically the whole of the trade of India is now conducted through the medium of the telegraph, which has, however, only become possible by the use of elaborate codes built up during many years with much thought, labour, and expense. The use of these codes enables

merchants to condense into the smallest possible space their telegraphic correspondence, and, ever since the introduction of commercial codes, proper names have always entered largely into their composition, and, indeed, have always been regarded as more suited than any other class of words for the purpose, owing to the ease with which such words, when mutilated in transmission, can be rendered. A rule, therefore, which excludes the use of proper names as ciphers, would necessitate the compiling afresh of nearly every code now used. Many of these codes were constructed after the St. Petersburg Convention, held only three years ago. And your Excellency will be enabled to form an idea of the expense and labour of constructing these codes when we mention that in one case the construction of a code cost from £1,600 to £1,800, and that the labour of eighteen months was devoted to it. If the rule as to proper names is enforced, the greater proportion of each of the codes now used will, your Memorialists believe, be absolutely useless.

Your Memorialists are informed that the change has been adopted in consequence of a practice of manufacturing words which never had an existence, and representing them to be names of places; but this practice, they respectfully suggest, might have been stopped by limiting geographical names to such as are found in standard atlases, and classical and other names to such as are found in the best dictionaries.

That your Memorialists also desire to bring to your Excellency's notice that, in consequence of the distinction now established by the Convention between "code language and" "*langage clair*," the Telegraph officials will have the right to demand the meaning of messages when

proper names appear in them,—an inquisitorial power which your Excellency will recognize as most objectionable.

That, in addition to the new rule prohibiting the use of proper names of persons and places as ciphers, further restrictions have been imposed. According to the rules of the St. Petersburg Telegraph Convention, messages might be sent in any one of the languages used in the territories of the States which were parties to that Convention, or in Latin. But by the International Convention recently held in London telegrams in "code language" are limited to words belonging to the following languages only, *viz.*, English, French, German, Italian, Dutch, Portuguese, Spanish, and Latin. This limitation will be a great inconvenience to merchants in India, whose codes were composed largely of words in the Hindustani, or other vernacular languages of India, and will necessitate the revision of many of the codes now used in this country.

That, by the St. Petersburg International Convention, a group of five figures was counted as one word, but, by the Convention recently held in London, it is enacted that a group of three figures only shall count as one word. This restriction will also necessitate numerous alterations being made in mercantile codes, and impose very heavy additional expense in conducting telegraphic correspondence.

That, as the rules which are adopted by the International Telegraph Convention are of great public importance,—particularly to mercantile interests, from whom, your Memorialists believe, the greater part of the revenue of the Submarine Telegraph Companies is derived,—it is matter for regret that this Chamber was not consulted respecting the contemplated new rules before

the London Convention assembled; for the changes are totally disapproved, and the Chamber would have taken some pains to ascertain the feeling of the mercantile community with regard to them.

That, as the 13th Article of the Convention provides that the rules may be modified at any time by the common agreement of all the contracting States, your Memorialists earnestly hope that your Excellency will endeavour to prevent these injurious changes from taking effect, and we have the more confidence in asking your Excellency's interposition as we understand that it was the delegate of the Government of India who particularly insisted at the Conference upon the adoption of the rule as to the use of proper names.

For these reasons, your Memorialists pray that your Excellency will take the necessary steps to prevent these restrictions from being ratified, and more particularly the vexatious and unnecessary rule prohibiting the use of proper names of persons and places in the text of code messages except in their natural sense.

And your Memorialists, as in duty bound, will ever pray.

*For and on behalf of the Members of the Bombay Chamber of Commerce,*

M. MOWAT,
*Chairman.*
J. GORDON,
*Secretary.*

BOMBAY, 28*th October* 1879.

## DIFFERENTIAL RATES OF POSTAGE ON OVERLAND FOREIGN CORRESPONDENCE.

*From Bombay Chamber to Director-General of the Post Office,—Bombay, 31st October* 1879.

I am directed by the Committee of the Chamber of Commerce to bring to your notice the anomaly in the rates of postage chargeable in India upon letters and newspapers addressed *viâ* Brindisi to the United Kingdom compared with the rates charged on letters and newspapers addressed *viâ* Brindisi to the Continent of Europe and America.

The rates charged on letters addressed to the United Kingdom *viâ* Brindisi are 5 annas per ½ oz., and on newspapers 2 annas per 4 oz., while the rates on letters to Germany *viâ* Brindisi are only 3 annas for letters and 1 anna for newspapers, although the distances to many places in Germany are very little less, and in some cases greater, than the distances to the United Kingdom. The rates of postage to Russia, including Finland, on letters addressed *viâ* Brindisi through Germany are 3 annas per ½oz. for letters, and 1 anna for newspapers, being the same as the rates to Germany, and 2 annas less for letters and 1 anna less for newspapers than the rates charged to the United Kingdom, although the distance to Russia is much greater than to the United Kingdom. Again, the rates of postage charged on letters and newspapers addressed to the United States of America *viâ* Brindisi, through the United Kingdom, are the same as the rates to the United Kingdom only, *viz.*, 5 annas per ½ oz. for letters, and 2 annas for newspapers.

The same anomaly appears also in the rates of postage chargeable in the United Kingdom, in the United States of America, and in Germany, to India. The rates charged in the United Kingdom on letters addressed to India *viâ* Brindisi are 6*d.* per ½ oz., and on newspapers 2*d.* per 4 oz., while the rates from the United States or Germany *viâ* Brindisi are 2½*d.* for a letter and 1*d.* for a newspaper.

The Committee are wholly at a loss to conceive on what principle these arrangements were entered into. The correspondence between England and India is probably greater than the correspondence between India and all other countries taken together, and this consideration alone should have entitled it to cheaper rates of postage. That correspondence, however, is, in fact, taxed for the benefit of foreigners, and the British and Indian Governments are giving the advantages of the overland postal service, which costs their respective people a heavy sum, to foreigners at considerably less rates than are charged to their own countrymen. The Committee respectfully submit that this anomaly should cease, and that the people of India and Great Britain, who pay for the postal service, should have the privileges given to other countries. If it be argued that the loss of revenue in working the overland postal service is already very heavy, then I am to point out that reduced rates of postage on letters between England and India would probably result in so great an increase of letters and newspapers being sent by the overland mail service as to lead to a considerable augmentation of the postal revenue.

The Committee direct me respectfully to ask you if you will be so good as to submit the whole subject to the

Government of India, with a view to the rates of postage between the United Kingdom and India, and India and the United Kingdom, being placed on the same footing with the rates charged from the Continent of Europe and the United States of America to India, and from India to those countries; and in the meantime they will be much obliged to you if you will kindly favour the Chamber with a copy of the proceedings of the Postal Union Convention recently held at Paris.

I have the honour to be,

Sir,

Your most obedient Servant,

J. GORDON,

*Secretary.*

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*From* A. M. MONTEATH, *Esq.*, *Director-General of the Post Office of India, to the Secretary to Chamber of Commerce, Bombay,—No.* 7163,—*dated Simla,* 11*th November* 1879.

I have the honor to acknowledge the receipt of your letter dated the 31st October 1879, expressing the inability of the Committee of the Chamber of Commerce to understand the principle upon which the arrangements about foreign postage rates have been entered into, and requesting that the whole subject may be submitted to the Government of India, with a view to the rates of postage on correspondence passing in either direction between India and the United Kingdom being placed on the same footing as the rates charged on correspondence similarly passing between India on the one hand, and the Continent of Europe and the United States of America on the other hand.

2. I shall, in the first place, endeavour to explain to the Chamber the principle which governs the present arrangements.

3. The International Postal Convention, concluded in Paris in 1878, provided for three different scales of postage rates, *viz.* :—

(I.) The ordinary union scale of rates: applicable wherever the transit does not include sea conveyance exceeding 300 miles, *viz.* :—

| | Cents. | | Pence. |
|---|---|---|---|
| Letters per 15 grammes (about ½ oz.) ..... | 25 | = | about 2½ |
| Post-cards..... | 10 | = | about 1 |
| Printed articles, samples, &c., per 50 grammes (nearly 2 ozs.) ..... | 5 | = | about ½, with certain minimum charges which it is unnecessary here to detail. |

(II.) The ordinary union scale of rates, increased by sea rates wherever the sea conveyance exceeds 300 miles. The rates so increased were limited by the Convention as follows :—

| | Ordinary cents. | | Sea rate cents. | | Total cents. | Pence. |
|---|---|---|---|---|---|---|
| Letters as above..... | 25 | + | 25 | = | 50 | or about 5 |
| Post-cards..... ..... | 10 | + | 5 | = | 15 | or about 1½ |
| Printed articles, &c., as above... | 5 | + | 5 | = | 10 | or about 1 |

(III.) Either of the two scales of rates mentioned above increased by the actual cost of any extraordinary service, such as transit by special train.

4. It is in the option of any country to forego the collection of the additional sea rates authorized under head No. II.; and this option has been exercised by the following countries:—Bulgaria, Egypt, Germany, Greece, Luxembourg, Roumania, Russia, Turkey, and United States of America. Most of these countries have so little sea-borne correspondence to deal with, that it is hardly worth their while to have separate rates for it: but in the cases of Germany and the United States which have considerable sea-borne correspondence, the principle is no doubt that of making the cost of sea conveyance a charge not upon the correspondence itself, but upon the general revenues of the State.

5. It is also in the option of any country to forego the collection of the extra rates authorized to meet the expense of transit by special train: but there are very few instances of the use of special mail trains. The special train for the conveyance of the eastern mail across the Continent of Europe and a similar service across the United States of America are the only instances of importance.

6. The fact of a special train service being used at great cost to convey the eastern mails across the Continent of Europe, and the consequent levy of extra postage to meet the extra cost so incurred, is the main cause of the difference of rates to which the Chamber take exception. And I may mention that the extra postage so levied is rather below than above the actual extra cost involved in transit by special train. If India were content with the ordinary train service across Europe, there would be no necessity for levying the extra postage:

but the Government has always regarded it as a proper thing to make the large extra cost involved in the special train service a charge upon the correspondence so conveyed, the only other way of meeting it being that of defraying it from the general revenues of the country.

7. I do not think that the present would be a favourable time to raise the question of throwing an additional burden upon the State by the remission of postage revenue, the more so because the loss of revenue on the sea service which connects India with Europe is already very heavy.

8. I do not lose sight of the anticipation expressed by the Chamber to the effect that "reduced rates of postage on letters between England and India would probably result in so great an increase of letters and newspapers being sent by the overland mail service as to lead to a considerable augmentation of the postal revenue:" but I do not feel able to hold out to the Government a probable realization of the anticipation within any reasonable limit of time. The rate of postage on Brindisi letters stood at 8 annas prior to July, 1876: it was then reduced to 6 annas; and in April 1879, it was still further reduced to 5 annas. But these reductions have had no material effect in stimulating correspondence, the only marked effect being the transfer of a considerable portion of the correspondence formerly sent by the cheaper Southampton route to the more expensive Brindisi route.

9. With this fact in view, it would be impossible for me to expect, or to lead the Government to expect, any such increase of correspondence as would substantially

modify the estimate of the loss which would follow the reduction of postage rates advocated by the Chamber.

10. I shall, however, submit a copy of your letter and of this reply to the Government of India.

I have, &c.,
A. M. MONTEATH,
*Director-General of the Post Office, of India.*

## PILOTAGE CHARGES.

In December last the Committee were favored by the Government of Bengal with a copy of a Report made by a Committee appointed by Government to inquire into certain questions connected with the Provincial Marine Department. It appears that the Pilot Service were not content with their remuneration under existing rules, one of which, *viz.*, that pilots are forbidden to receive gratuities for special services rendered to the vessels they pilot, was being strictly enforced after having been for a long period entirely disregarded, and a memorial was submitted to Government by the pilots, praying for an alteration in the pilotage charges with the view of increasing their remuneration.

The Government Committee, after carefully considering the matter, proposed a scale of charges fixing a minimum draft charge for a certain

tonnage, the effect of which would have been to increase by about 12 per cent. the charge on inward-bound ships, and, while not adding in any way to the outward charges, to increase the general pilotage receipts by about 5 per cent. A statement was added to their report, showing the earnings of the pilots during the past three years. From this statement the Committee of the Chamber judged that the pilots had failed to make out a case for increased remuneration. The existing rules allowed one pilot to earn during 36 months an *average* monthly salary of Rs. 1,502-8-2, besides gratuities, and gave an average monthly salary of Rs. 1,300 to the branch-pilots and of Rs. 850 to the master-pilots of the establishment who had worked for 36 months consecutively. At the same time the Committee of the Chamber expressed the opinion that undue stress was laid by pilots on the responsibilities incurred in navigating large vessels in the river. Under these circumstances, they suggested to Government that no alteration, which involved an additional charge to the vessels trading to this port, should be made in the system of calculating pilotage fees, but that permission should be accorded to give and receive gratuities for special services rendered by pilots, and that the amount of such gratuity should be left to the decision of the parties interested.

The Committee are glad to record that the Lieutenant-Governor has accepted their conclusions, and has decided not to alter the pilotage charges.

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*From Government of Bengal to Chamber.*

*Calcutta, the 23rd December* 1879.

I am directed to forward herewith a copy of the report* of the Committee appointed to consider certain questions connected with the Provincial Marine Department, and to request that the Lieutenant-Governor may be favored with an expression of the views of the Chamber on the proposals of the Committee contained in paragraphs 3 to 8 of the report.

* Received 14th October 1879.

2. I am to say that the Lieutenant-Governor is inclined to think that much weight should attach to the Committee's arguments in favor of a minimum draught of 16 feet; but he is aware that Calcutta is already a very expensive port to shipowners, and, before assenting to any proposal which would involve an increase of pilotage charges, he would be glad to learn the views of the Chamber on the subject.

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*Report of the Marine Committee on the questions referred to them in Government Resolution of the 12th May* 1879.

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WITH reference to the Resolution above referred to, we have the honor to submit the following report :—

The questions laid before the Committee in the above Resolution were duly discussed at two meetings of the

Committee, at one of which Mr. Daly and Mr. Wells were present, and had an opportunity of fully representing and explaining their views.

The following are the questions on which the Committee were directed to report :—

1*st.*—That, in consequence of the change in the build of vessels now visiting this port, the plan of charging pilotage according to draft is no longer a fair and equitable one.

2*nd.*—That, owing to the increase in the number of steamers, there is no special reason to encourage the use of steam tugs by allowing ships taking steam a reduction of one-fourth of the pilotage fees.

3*rd.*—That it is also unnecessary, looking to the cargoes actually carried, to reduce the fees on steamers by one-fourth.

4*th.*—That certain suggestions made at p. 19 *et seq.* of the pamphlet by Mr. Wells for the reduction of port expenditure be adopted.

2. (1) *Charges for Pilotage.*—Under the present system of charging pilotage, it has been urged by the memorialists that their remuneration does not increase in proportion to the responsibility incurred in navigating large vessels in the Hooghly, and that, although the tonnage of vessels trading to Calcutta has increased largely during the last 20 years, the receipts from pilotage have remained, comparatively speaking, stationary; that while every ton added to the dimensions of a ship enhances its value no additional charge is imposed on the owner, and that, by fixing charges on draft alone,

shipowners have been induced to procure vessels of great length and beam and of as light draft as possible; and further, that such vessels are now being constructed to be ballasted with water which can be pumped out at pleasure, and the vessel lightened for the river to a draft which would be unsafe at sea.

The following figures show the actual tonnage piloted and pilotage receipts during the last eight years, and the extent to which the rate per ton tends to decrease:—

| Year. | Net tonnage. | Pilotage receipts. | Rate per ton (annas). |
|---|---|---|---|
| | | Rs. | |
| 1871-72 ... ... | 985,822 | 7,83,834 | 12·7 |
| 1872-73 ... ... | 978,621 | 7,85,338 | 12·8 |
| 1873-74 ... ... | 1,002,466 | 7,76,034 | 12·4 |
| 1874-75 ... .. | 1,016,706 | 7,60,221 | 12·0 |
| 1875-76 ... .. | 1,027,733 | 7,92,240 | 12·35 |
| 1876-77 ... ... | 1,352,155 | 9,45,694 | 11·2 |
| 1877-78 ... ... | 1,592,535 | 10,76,158 | 10·8 |
| 1878-79 ... ... | 1,115,392 | 8,63,478 | 12·4 |
| Total ... | 9,071,430 | 67,82,997 | 11·95 |

3. While we cannot admit that the change in the build of vessels has been made with the object of saving pilotage, it is evident that the changes referred to have very materially affected the pilotage receipts and the remuneration of the officers that pilot such vessels; and we are of opinion that the present plan of charging pilotage by draft *only* is no longer equitable, and that a system under which the charge would be levied on *tonnage and draft* would be fair both to the owners of

vessels and the pilots. The following statement has been prepared to show how the present system works :—

| Names of Vessels. | Nett Register tonnage. | Inward draft. | Inward pilotage levied. | Outward draft. | Outward Pilotage levied. | Remarks. |
|---|---|---|---|---|---|---|
| | | Feet. | Rs. A. | Feet. | Rs. A. | |
| Ship "Loweswater" ... ... | 603 | 12 | 156 4 | 16 | 302 1 | |
| ,, "Great Victoria" .. ... | 2,386 | 15 | 215 10 | Over 24 | 825 0 | |
| Str. "Khedive" .. ... | 2,092 | 19 | 393 12 | 22 | 609 6 | |
| ,, "City of Manchester" ... | 2,046 | 19 | 393 12 | 23 | 656 4 | |
| Ship "Northbrook" .. ... | 1,820 | 13 | 177 2 | 21 | 562 8 | |
| Str. "St. Osyth" .. .. | 2,296 | 18 | 346 14 | 25 | 825 0 | |
| Ship "Morning Light" | 2,377 | 17 | 300 0 | 24 | 721 14 | |
| Str. "Duke of Sutherland" ... | 1,967 | 15 | 215 10 | 24 | 721 14 | |
| ,, "Guy Mannering" .. | 2,115 | 16 | 253 2 | 24 | 721 14 | |
| Ship "Celestial Empire" .. | 1,758 | 14 | 187 7 | 22 | 609 6 | |

4. These cases show that a modification of the present scale of charges is called for. The *Great Victoria*, a vessel of 2,386 tons register, paid, when coming up on a draft of 15 feet, only Rs. 215-10; while the *Loweswater*, a vessel about one-fourth her size, when drawing 16 feet of water, had to pay Rs. 302. The *Great Victoria* being over 1,300 tons would fall to a branch pilot, and, for bringing her up, he would on the occasion referred to have received 60 per cent. of Rs. (215—15 per cent.) $= \frac{184 \times 60}{100} = 110\,4$; while the mate pilot that piloted the *Loweswater*, a vessel of 603 tons, would have received 60 per cent. of Rs. (302—15 per cent.) $= \frac{257 \times 60}{100} = 154{\cdot}2$. Of course the pilot's responsibility increase very much with draft of water, but it seems unfair to charge on draft alone when vessels

come into port very light. The responsibility of a pilot cannot in the case of these large vessels be measured entirely by the draft of water, and if the present system of charging by draft is to be continued a minimum charge for vessels above a certain tonnage should be fixed.

5. The Committee have gone fully into the question of charging in all cases according to both draft and tonnage. This at first sight appeared to be the fairest to all concerned, but it was subsequently found that, if the gross amount at present received from pilotage was adhered to, the charge to large vessels would be very much increased, and on small and medium sized vessels considerably reduced. The effect of this would have been to have increased largely the earnings of the branch pilots and to reduce those of the masters and mates. A new distribution of tonnage might have placed the masters in a position to earn as much as they do at present, but only by a very large increase to their work; and as it appears that the owners of medium-sized ships do not complain of the charges now incurred, it appeared to us better to adhere for the present to the scale now in force, but to fix a minimum draft charge for a certain tonnage, so that every pilot may get fair remuneration for the responsibility incurred in piloting a vessel up the Hooghly. Considering the length of pilotage in this river, a minimum payment of Rs. 250 for each vessel that takes a pilot does not seem an unreasonable amount to claim, and we have therefore fixed a draft of 16 feet for which the payment is Rs. 253-2 as the minimum draft to be charged for. Deducting from this amount the 15 per cent. which has to go to Government towards port dues, only Rs. 212·5 are left to be divided between the

pilot and Government. Of this, men on the 50 per cent. scale would receive Rs. 106·25, which, if this proposal is adopted, would be the smallest amount any pilot could receive for navigating a vessel up or down the Hooghly.

6. The following table shows the minimum draft that we recommend for each class of vessel:—

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Vessels not exceeding | 1,000 | tons | registered | tonnage | to be | charged | on a | minimum draft of 16 feet. |
| Ditto exceeding | 1,000 | „ | but not exceeding | 1,250 | tons | „ | „ | 17 „ |
| Ditto „ | 1,250 | „ | „ | 1,500 | „ | „ | „ | 18 „ |
| Ditto „ | 1,500 | „ | „ | 1,750 | „ | „ | „ | 19 „ |
| Ditto „ | 1,750 | „ | „ | 2,000 | „ | „ | „ | 20 „ |
| Ditto „ | 2,000 | „ | „ | 2,250 | „ | „ | „ | 21 „ |
| Ditto „ | 2,250 | „ | „ | 2,500 | „ | „ | „ | 22 „ |
| Ditto „ | 2,500 | „ | ... | ... | ... | ... | | 23 „ |

7. The following table shows the present scale of charges which will be applicable to ships entering or leaving the port in accordance with the above proposition according to the distance steam power is used:—

*Table of Pilotage Charges payable for Sailing Vessels piloted the whole distance to or from Calcutta, and using steam power while being piloted over the twelfths indicated below.*

## INWARD PILOTAGE.

| DRAFT OF WATER. | VESSELS PILOTED THE WHOLE DISTANCE, BUT USING STEAM FOR THE DISTANCES NOTED. | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Using steam. 1/12 | Using steam. 1½/12 | Using steam. 1⅔/12 | Using steam. 2⅓/12 | Using steam. 3/12 | Using steam. 3½/12 | Using steam. 6/12 | Using steam. 5/12 | Using steam. 4/12 | Using steam. 3/12 | Using steam. 2½/12 | Using steam. 1/12 |
| | Rs. A. P. | Rs. A. P. | Rs. A. P. | Rs. A. P. | Rs. A. P. | Rs. A. P. | Rs. A. P. | Rs. A. P. | Rs. A. P. | Rs. A. P. | Rs. A. P. | Rs. A. P. |
| Not exceeding 16 feet | 253 2 0 | 260 2 6 | 267 3 0 | 274 3 6 | 281 4 0 | 288 4 6 | 295 5 0 | 302 5 6 | 309 6 0 | 316 6 6 | 323 7 0 | 330 7 6 |
| Exceeding 16 but not exceeding 17 ,, | 300 0 0 | 308 5 4 | 316 10 8 | 325 0 0 | 333 5 4 | 341 10 8 | 350 0 0 | 358 5 4 | 366 10 8 | 375 0 0 | 383 5 4 | 391 10 8 |
| Ditto 17 ditto ditto 18 ,, | 346 14 0 | 356 8 2 | 366 2 4 | 375 12 6 | 385 6 8 | 395 0 10 | 404 11 0 | 414 5 2 | 423 15 4 | 433 9 6 | 443 3 8 | 452 13 10 |
| Ditto 18 ditto ditto 19 ,, | 393 12 0 | 404 11 0 | 415 10 0 | 426 9 0 | 437 8 0 | 448 7 0 | 459 6 0 | 470 5 0 | 481 4 0 | 492 3 0 | 503 2 0 | 514 1 0 |
| Ditto 19 ditto ditto 20 ,, | 450 0 0 | 462 8 0 | 475 0 0 | 487 8 0 | 500 0 0 | 512 8 0 | 525 0 0 | 537 8 0 | 550 0 0 | 562 8 0 | 575 0 0 | 587 8 0 |
| Ditto 20 ditto ditto 21 ,, | 506 4 0 | 520 5 0 | 534 6 0 | 548 7 0 | 562 8 0 | 576 9 0 | 590 10 0 | 604 11 0 | 618 12 0 | 632 13 0 | 646 14 0 | 660 15 0 |
| Ditto 21 ditto ditto 22 ,, | 553 2 0 | 568 7 10 | 583 13 8 | 599 3 6 | 614 9 4 | 629 15 2 | 645 5 0 | 660 10 10 | 675 0 8 | 692 6 6 | 706 12 4 | 722 2 2 |
| Ditto 22 ditto ditto 23 ,, | 600 0 0 | 616 10 8 | 633 5 4 | 650 0 0 | 666 10 8 | 683 5 4 | 700 0 0 | 716 10 8 | 733 5 4 | 750 0 0 | 766 10 8 | 783 5 4 |
| Ditto 23 ditto ditto 24 ,, | 656 4 0 | 674 7 8 | 692 11 4 | 710 15 0 | 729 2 8 | 747 6 4 | 765 10 0 | 783 13 8 | 802 1 4 | 820 5 0 | 838 8 8 | 856 12 4 |
| Ditto 24 ditto ditto 25 ,, | 750 0 0 | 770 13 4 | 791 10 8 | 812 8 0 | 833 5 4 | 854 2 8 | 875 0 0 | 895 13 4 | 916 10 8 | 937 8 0 | 958 5 4 | 979 2 8 |
| Ditto 25 ditto ditto 26 ,, | 883 2 0 | 907 10 6 | 932 3 0 | 956 11 6 | 981 4 0 | 1,005 12 6 | 1,030 5 0 | 1,054 13 6 | 1,079 6 0 | 1,103 14 0 | 1,128 7 0 | 1,152 15 6 |

## OUTWARD PILOTAGE.

| | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Not exceeding 16 feet | 271 14 0 | 279 6 10 | 286 15 8 | 294 8 6 | 302 1 4 | 309 10 2 | 317 3 0 | 324 11 10 | 332 4 8 | 336 13 6 | 347 6 4 | 354 15 2 |
| Exceeding 16 but not exceeding 17 ,, | 337 8 0 | 346 14 0 | 356 4 0 | 365 10 0 | 375 0 0 | 384 6 0 | 393 12 0 | 403 2 0 | 412 8 0 | 421 14 0 | 431 4 0 | 440 10 0 |
| Ditto 17 ditto ditto 18 ,, | 393 12 0 | 404 11 0 | 415 10 0 | 426 9 0 | 437 8 0 | 448 7 2 | 459 6 0 | 470 5 0 | 481 4 0 | 492 3 0 | 503 2 0 | 514. 1 0 |
| Ditto 18 ditto ditto 19 ,, | 440 10 0 | 452 18 10 | 465 1 8 | 477 5 6 | 489 9 4 | 501 13 0 | 514 1 0 | 523 4 10 | 538 8 8 | 550 12 6 | 563 0 4 | 575 4 2 |
| Ditto 19 ditto ditto 20 ,, | 506 4 0 | 520 5 0 | 534 6 0 | 548 7 0 | 562 8 0 | 576 9 0 | 590 10 0 | 604 11 0 | 618 12 0 | 632 13 0 | 646 14 0 | 660 15 0 |
| Ditto 20 ditto ditto 21 ,, | 562 8 0 | 578 2 0 | 593 12 0 | 609 6 0 | 625 0 0 | 640 10 0 | 656 4 0 | 671 14 0 | 687 8 0 | 703 2 0 | 718 12 0 | 734 6 0 |
| Ditto 21 ditto ditto 22 ,, | 609 6 0 | 626 4 10 | 643 3 8 | 660 2 6 | 677 1 4 | 694 0 2 | 710 15 0 | 727 13 10 | 744 12 8 | 761 11 6 | 778 10 4 | 795 9 2 |
| Ditto 22 ditto ditto 23 ,, | 656 4 0 | 674 7 8 | 692 11 4 | 710 15 0 | 729 2 8 | 747 6 4 | 765 10 0 | 783 13 8 | 802 1 4 | 820 5 0 | 838 8 8 | 856 12 4 |
| Ditto 23 ditto ditto 24 ,, | 721 14 0 | 741 14 10 | 761 15 8 | 782 0 6 | 802 1 4 | 822 2 2 | 842 3 0 | 862 3 10 | 882 4 8 | 902 5 6 | 922 6 4 | 942 7 2 |
| Ditto 24 ditto ditto 25 ,, | 825 0 0 | 847 14 8 | 870 13 4 | 893 12 0 | 916 10 8 | 939 9 4 | 962 8 0 | 985 6 8 | 1,008 5 4 | 1,031 4 0 | 1,054 2 8 | 1,07 1 4 |
| Ditto 25 ditto ditto 26 ,, | 971 8 0 | 998 7 9 | 1,025 7 6 | 1,052 7 3 | 1,079 7 0 | 1,106 6 9 | 1,133 6 6 | 1,160 6 3 | 1,187 6 0 | 1,214 5 9 | 1,241 5 6 | 1,268 5 3 |

8. To show how the proposed new scale of charges for pilotage will fall on the different classes of vessels now trading to the port, as compared with the amounts paid by them under the present schedule, the following statement has been prepared. It will be seen that this is equivalent to an increase of about 12 per cent. on the amount now paid as inward pilotage, or about 5 per cent. on the whole pilotage charges of the port. In no case would the outward pilotage have been increased:—

| Vessels. | Net tonnage. | Pilotage at present rate. | | | | | Pilotage to proposed scale. | | Excess. | Remarks. |
|---|---|---|---|---|---|---|---|---|---|---|
| | | Inward draft. | Amount. | Outward draft. | Amount. | Total amount. | Inward amount. | Outward amount. | | |
| | | Ft. In. | Rs. A. | Ft. In. | Rs. A. | Rs. A. | | | | |
| Steamer "Duke of Buccleuch" | 1,942 | 19 11 | 450 0 | 22 8 | 656 4 | 1,106 4 | Same. | Same throughout. | .... | |
| " "Castore" | 1,342 | 15 10 | 253 2 | 19 4 | 506 4 | 759 6 | 346 14 | | 93 12 | |
| " "Pleiades" | 1,456 | 21 1 | 253 2 | 22 6 | 656 4 | 1,209 6 | Same. | | ..... | |
| " "Goa" | 1,232 | 16 3 | 300 0 | 18 7 | 440 10 | 740 10 | " | | .... | |
| " "Cyrene" | 110 | 14 2 | 215 10 | 16 11 | 337 8 | 553 2 | 253 2 | | 37 8 | |
| " "Bengal" | 863 | 19 0 | 393 12 | 19 1 | 506 4 | 900 0 | Same. | | .... | |
| " "Bagdad" | 820 | 16 10 | 300 0 | 17 2 | 393 12 | 693 12 | " | | ..... | |
| " "Poonah" | 1,975 | 20 0 | 550 0 | 20 5 | 562 8 | 1,012 8 | " | | .... | |
| " "City of Oxford" | 1,497 | 20 10 | 596 4 | 22 5 | 656 4 | 1,162 8 | " | | ... | |
| " "Meinam" | 822 | 18 3 | 393 12 | 19 9 | 506 4 | 900 0 | " | | ..... | |
| " "Hindoostan" | 991 | 14 6 | 215 10 | 16 9 | 337 8 | 553 2 | 253 2 | | 37 8 | |
| " "Moray" | 1,427 | 17 3 | 346 14 | 20 9 | 562 8 | 909 6 | Same. | | .... | |
| Ship "Neva" | 1,109 | 19 3 | 450 0 | 17 6 | 393 12 | 843 12 | " | | ..... | |
| " "Persian" | 1,532 | 20 6 | 596 4 | 22 5 | 609 6 | 1,115 10 | " | | ..... | |
| " "Merchantman" | 885 | 17 0 | 300 0 | 20 3 | 562 8 | 862 8 | " | | .... | |
| " "Mohusser" | ..... | 17 6 | 346 14 | 20 1 | 562 8 | 909 6 | " | | .... | |
| " "Thrasher" | 1,542 | 21 7 | 553 2 | 20 9 | 662 8 | 1,115 10 | " | | .... | |
| " "Aliquis" | 1,125 | 22 4 | 600 0 | 20 2 | 562 8 | 1,162 8 | " | | .... | |
| " "British Ambassador" | 1,794 | 13 0 | 159 6 | 21 0 | 562 8 | 721 14 | 450 0 | | 290 10 | |
| " "Bowdon" | 1,624 | 12 3 | 159 6 | 20 4 | 562 8 | 721 14 | 393 12 | | 234 6 | |
| " "Eclipse" | 1,595 | 15 6 | 253 2 | 21 6 | 609 6 | 862 8 | 393 12 | | 140 10 | |
| " "Ophir" | 847 | 17 8 | 346 14 | 17 0 | 337 8 | 684 6 | Same. | | ..... | |
| " "Agwsoswald | 1,380 | 20 2 | 506 4 | 20 6 | 562 8 | 1,068 12 | " | | .... | |
| " "Ann Millicent" | 944 | 14 0 | 187 8 | 19 6 | 506 4 | 693 12 | 253 2 | | 65 10 | |
| " "Ispahan" | 1,436 | 21 0 | 506 4 | 21 0 | 562 8 | 1,068 12 | Same. | | .... | |
| " "Harvester" | 1,494 | 21 6 | 553 2 | 21 0 | 562 8 | 1,115 10 | " | | .... | |
| " "Sam Mendel" | 1,034 | 13 6 | 187 8 | 18 2 | 477 6 | 664 14 | 300 0 | | 112 8 | |
| " "Glenesk" | 1,298 | 20 3 | 506 4 | 20 0 | 506 4 | 1,012 8 | Same. | | .... | |
| " "Blairgowrie" | 1,550 | 13 3 | 187 8 | 20 10 | 562 8 | 750 0 | 393 12 | | 206 4 | |
| Total | | | 10,687 8 | | 15,186 12 | 25,874 4 | | | 1,218 12 | |

9. The foregoing scale of pilotage includes the 15 per cent. which is subsequently transferred from pilotage to port dues, but it seems to the Committee that, if a change is to be made, Government might take the opportunity to revise the pilotage charges, so as to give effect to the reduction of 15 per cent. or nearly two-thirteenths which has for the last few years been deducted from pilotage and credited to port dues. In the Government resolution forwarded to the Committee, it is stated that the orders as regards this 15 per cent. are final; and, such being the case, it appears to the Committee advisable that the scale should be changed, and that the fact that 15 per cent. is deducted from the pilotage receipts and credited to port dues should not be constantly kept before the pilots. This is a point, however, to be decided by Government, but in case it should be determind to carry out such a change, we submit a scale of charges which would reduce pilotage about 15 per cent, and enable Government to add 2 annas a ton to the port dues without increasing materially the total amount at present paid as pilotage and port dues by the shipping trading to the port.*

* In 1878-79 the total amount collected as pilotage was Rs. 8,63,478; 15 per cent. on this would amount to Rs. 1,29,521, which would be the loss incurred in adopting the amended schedule. The port dues at 4 annas per tonwere Rs. 2,65,567, an additional 2 annas would therefore have yielded Rs. 1,32,783.

# AMENDED PILOTAGE SCHEDULE GIVING EFFECT TO A REDUCTION OF 15 PER CENT.

*Table of Pilotage charges payable for Sailing Vessels piloted the whole distance to or from Calcutta, and using steam power while being piloted over the twelfths indicated below.*

## INWARD PILOTAGE.

| DRAFT OF WATER. | VESSELS PILOTED THE WHOLE DISTANCE, BUT USING STEAM FOR THE DISTANCE NOTED. | | | | | | | | | | | | | Using no steam, |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Using steam, 1/12 | Using steam, 1/12 | Using Steam, 1/12 | Using Steam, 2/12 | Using steam, 3/12 | Using steam, 4/12 | Using Steam, 5/12 | Using Steam, 6/12 | Using steam, 7/12 | Using Steam, 8/12 | Using Steam, 9/12 | Using Steam, 10/12 | Using Steam, 11/12 | |
| | Rs. A. P. | Rs. A. P. | Rs. A. P. | Rs. A. P. | Rs. A. P. | Rs. A. P. | Rs. A. P. | Rs. A. P. | Rs. A. P. | Rs. A. P. | Rs. A. P. | Rs. A. P. | Rs. A. P. | Rs. A. P. |
| Not exceeding 16 feet ... | 215 4 0 | 221 3 3 | 227 3 4 | 233 3 0 | 239 2 8 | 245 2 4 | 251 2 0 | 257 1 8 | 263 1 4 | 269 1 0 | 275 0 8 | 281 0 4 | 287 0 0 | |
| Exceeding 16 not exceeding 17 feet | 255 0 0 | 262 1 4 | 269 2 8 | 276 4 0 | 283 5 4 | 290 6 8 | 297 8 0 | 304 9 4 | 311 10 8 | 318 12 0 | 325 13 4 | 332 14 8 | 340 0 0 | |
| Ditto 17 ditto 18 ,, | 295 8 0 | 303 11 4 | 311 14 8 | 320 2 0 | 328 5 4 | 336 8 8 | 344 12 0 | 352 15 4 | 361 2 8 | 369 6 0 | 377 9 4 | 385 12 8 | 394 0 0 | |
| Ditto 18 ditto 19 ,, | 335 4 0 | 344 9 0 | 353 14 0 | 363 3 0 | 372 8 0 | 381 13 0 | 391 2 0 | 400 7 0 | 409 12 0 | 419 1 0 | 428 6 0 | 437 11 0 | 447 0 0 | |
| Ditto 19 ditto 20 ,, | 382 8 0 | 393 2 0 | 403 12 0 | 414 6 0 | 425 0 0 | 435 10 0 | 446 4 0 | 456 14 0 | 467 8 0 | 478 2 0 | 488 12 0 | 499 6 0 | 510 0 0 | |
| Ditto 20 ditto 21 ,, | 430 8 0 | 442 7 4 | 454 6 8 | 466 6 0 | 478 5 4 | 490 4 8 | 502 4 0 | 514 3 4 | 526 2 8 | 538 2 0 | 550 1 4 | 562 0 8 | 574 0 0 | |
| Ditto 21 ditto 22 ,, | 470 4 0 | 483 5 0 | 496 6 0 | 509 7 0 | 522 8 0 | 535 9 0 | 548 10 0 | 561 11 0 | 574 12 0 | 587 13 0 | 600 14 0 | 613 15 0 | 627 0 0 | |
| Ditto 22 ditto 23 ,, | 510 0 0 | 524 2 8 | 538 5 4 | 552 8 0 | 566 10 8 | 580 13 4 | 595 0 0 | 609 2 8 | 623 5 4 | 637 8 0 | 651 10 8 | 665 13 4 | 680 0 0 | |
| Ditto 23 ditto 24 ,, | 558 0 0 | 573 8 0 | 589 0 0 | 604 8 0 | 620 0 0 | 635 8 0 | 651 0 0 | 666 8 0 | 682 0 0 | 697 8 0 | 713 0 0 | 728 8 0 | 744 0 0 | |
| Ditto 24 ditto 25 ,, | 637 8 0 | 655 3 4 | 672 14 8 | 690 10 0 | 708 5 4 | 726 0 8 | 743 12 0 | 761 1 4 | 779 2 8 | 796 14 8 | 814 9 4 | 832 4 8 | 850 0 0 | |
| Ditto 25 ditto 96 ,, | 750 12 0 | 771 9 9 | 792 7 4 | 813 5 0 | 834 2 8 | 855 0 4 | 875 14 0 | 896 11 8 | 917 9 4 | 938 7 0 | 959 4 8 | 980 2 4 | 1,001 0 0 | |

## OUTWARD PILOTAGE.

| | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Not exceeding 16 feet ... ... | 231 12 0 | 238 3 0 | 244 10 0 | 251 1 0 | 257 8 0 | 263 15 0 | 270 6 0 | 276 13 0 | 283 4 0 | 289 11 0 | 296 2 0 | 302 9 0 | 309 0 0 | |
| Exceeding 16 not exceeding 17 feet | 287 4 0 | 295 3 8 | 303 3 4 | 311 3 0 | 319 2 8 | 327 2 4 | 335 2 0 | 343 1 8 | 351 1 4 | 359 1 0 | 367 0 8 | 375 0 4 | 383 0 0 | |
| Ditto 17 ditto 18 ,, | 335 4 0 | 344 9 0 | 353 14 0 | 363 3 0 | 372 8 0 | 381 13 0 | 391 12 0 | 400 7 0 | 409 12 0 | 419 1 0 | 428 6 0 | 437 11 0 | 447 0 0 | |
| Ditto 18 ditto 19 ,, | 375 0 0 | 385 6 8 | 395 13 4 | 406 4 0 | 416 10 8 | 427 1 4 | 437 8 0 | 447 14 8 | 458 5 4 | 468 12 0 | 479 2 8 | 489 9 4 | 500 0 0 | |
| Ditto 19 ditto 20 ,, | 430 8 0 | 442 7 4 | 454 6 8 | 466 6 0 | 478 5 4 | 490 4 8 | 502 4 0 | 514 3 4 | 526 2 8 | 538 2 0 | 550 1 4 | 562 0 8 | 574 0 0 | |
| Ditto 20 ditto 21 ,, | 478 8 0 | 491 12 8 | 505 1 4 | 518 6 0 | 531 10 8 | 544 15 4 | 558 4 0 | 571 8 8 | 584 13 4 | 598 2 0 | 611 6 8 | 624 11 4 | 638 0 0 | |
| Ditto 21 ditto 22 ,, | 518 4 0 | 532 10 4 | 547 0 8 | 561 7 0 | 575 13 4 | 590 3 8 | 604 10 0 | 619 0 4 | 633 6 8 | 647 13 0 | 662 3 4 | 676 9 8 | 691 0 0 | |
| Ditto 22 ditto 23 ,, | 558 0 0 | 573 8 0 | 589 0 0 | 604 8 0 | 620 0 0 | 635 8 0 | 651 0 0 | 666 8 0 | 682 0 0 | 697 8 0 | 713 0 0 | 728 8 0 | 744 0 0 | |
| Ditto 23 ditto 24 ,, | 614 4 0 | 631 5 0 | 648 6 0 | 665 7 0 | 682 8 0 | 699 9 0 | 716 10 0 | 733 11 0 | 750 12 0 | 767 13 0 | 784 14 0 | 801 15 0 | 819 0 0 | |
| Ditto 24 ditto 25 ,, | 701 4 0 | 720 11 8 | 740 3 4 | 759 11 0 | 779 2 8 | 798 10 4 | 818 2 0 | 837 9 8 | 857 1 4 | 876 9 0 | 896 0 8 | 915 8 4 | 935 0 0 | |
| Ditto 25 ditto 26 ,, | 825 12 0 | 848 11 0 | 871 10 0 | 894 9 0 | 917 8 0 | 940 7 0 | 963 6 0 | 986 5 0 | 1,009 4 0 | 1,032 3 0 | 1,055 2 0 | 1,078 1 0 | 1,101 0 0 | |

10. (2) *and* (3) *Reduction of one-fourth on steamers and vessels taking steam.*—We are now in a position to consider the 2nd and 3rd questions, *viz.*, whether full pilotage rates, according to the present schedule, should be charged to all vessels, and no allowance made for steam either to steamers or vessels, towed by steam. As a rule now, it is very seldom indeed that any vessels proceed up or down the Hooghly without the aid of steam; and in round numbers it may therefore be taken that to charge the full pilotage rates would be equivalent to increasing the amount now levied by one-third. In 1878-79 that would have been equivalent to an additional charge of $8\,5\,2\,\frac{2}{3}\,2\,5 = 2,84,075$ on the trade of the port.

11. The memorialists have put forward a number of reasons why this should be done; but it seems to the Committee that the only ground upon which Government should consider the question is, do the present charges give a fair remuneration to the pilots and at the same time allow sufficient margin for maintenance of pilot-vessels and absentee and pension allowances? It appears to the members of the Committee that they do, and that there are no good grounds for making any additional charge on the shipping on this account. The memorialists urge that the tonnage now piloted has increased largely within the last 20 years, without a corresponding increase in the amount paid for pilotage; this is no doubt true; but in the *number* of ships there has been little or no increase, and it is by the number of ships that the number of pilots must be fixed. No doubt the responsibility has been increased, and also (if measured by the number of vessels piloted) the work done by each member of the service; but the work has been done in less time,

and the average emoluments have also largely increased.

12. We submit in Appendix A a statement of the total amount paid to each member of the service during the last three years. It will no doubt be objected that two of these years, 1876-77 and 1877-78, were very exceptional years, and that the amount drawn during the famine, when the influx of shipping was very great, cannot be taken in estimating what may be considered the average earnings of a pilot. We are of opinion, however, that the receipts of last year may be taken as a fair average, and the following statement shows that the average salary of pilots has increased from Rs. 4,950 in 1871-72 to Rs. 8,195 in 1875-76, and Rs. 8,155 in 1878-79. (*See* Appendix B.)

| | Total amount collected as pilotage. | Amount on which pilots' earnings is calculated. | Number of running pilots. | Sixty per cent. of pilotage. | Average per running pilot. |
|---|---|---|---|---|---|
| | Rs. | Rs. | | Rs. | Rs. |
| 1870-71 ... ... | ..... | .... | .... | .... | .... |
| 1871-72 ... ... | 7,83,834 | .... | 95 | 4,7 ,300 | 4,950 |
| 1872-73 ... ... | 7,85,338 | .... | 95 | 4,71,202 | 4,960 |
| 1873-74 ... ... | 7,76,034 | ..... | 78 | 4,65,620 | 5,969 |
| 1874-75 ... ... | 7,60,221 | ..... | 64 | 4,56,132 | 7,127 |
| 1875-76 ... ... | 7,92,240 | ..... | 58 | 4,75,344 | 8,195 |
| 1876-77 ... ... | 9,45,694 | .... | 56 | 5,67,416 | 10,132 |
| 1877-78 ... ... | 10,76,158 | 9,14,735 | 58 | 5,48,841 | 9,462 |
| 1878-79 ... ... | 8,63,478 | 7,83,957 | 54 | 4,40.374 | 8,155 |

13. The decrease in the number of running pilots commenced to take effect about 1873; but the Government order to reduce pilotage by 15 per cent. was not brought into force until the beginning of 1877-78, the exact date from which it took effect being the 15th March 1877.

14. According to a statement in the memorial, the average pay in 1856-57 was Rs. 2,094, and the average

number of vessels annually piloted by each 2·6. In 1877-78 the average number of vessels piloted had increased to 48, but the average pay of the service had also increased to Rs. 9,462. That the work can now be done by a much smaller number of pilots than formerly is simply due to the fact that nearly every vessel trading to the port, not a steamer, employs a tug; and whereas it formerly, without steam, often took a pilot eight or ten days to get a vessel up or down the river, it is now frequently done in one, and very seldom exceeds three. It is the employment of steam-power therefore that has allowed the average earnings to rise from Rs. 2,094 in 1856-57 to Rs. 9,462 in 1877-78, and we cannot therefore recommend that the reduction made to encourage the use of steam should be withdrawn simply to increase the pay of the members of the Pilot Service.

15. It is urged in the memorial that the average pay shown as received in 1856-57 was low, from the fact that there were a large number of volunteers on low pay in the service, but that the actual pay of running pilots was increased by gratuities by about Rs. 300 a month, and that a master then drew on an average Rs. 7,680 per annum. We have the very best authority for stating that gratuities up to the date of the recent orders still averaged about the same amount, and that at least from Rs. 2,500 to Rs. 3,000 per annum may be added to the figures given in paragraph 27 to arrive at the correct average emoluments of the service.

16. Pilotage was increased in 1862 by 25 per cent., and gratuities were then prohibited; but they gradually came to be paid again, and were, till recently, apparently

as regularly paid and received as they were before the order abolishing them was passed. Pilots have, no doubt, the power of benefiting a ship if they choose to exert themselves, by facilitating the transport of the vessels from sea to town, or town to sea, and thereby lessening the expenses of the owners, and owners are apparently quite ready to pay for this service. While this is the case, we would submit, for the consideration of Government, whether, taking these facts into consideration, it would not be better to recognize certain extra services, for which apparently owners and captains are willing to pay and to grant a scale of extra fees for such services. We are not in a position to state definitely either what such services* are, or the amount that should be paid for them; but this could be ascertained on a reference to the Chamber of Commerce and the Port Officer. These fees would be no extra charge on the trade of the port, as their equivalent is now paid in the shape of gratuities; but by fixing such a scale the payment would be a legal act, and agents could pay and pilots receive the money without the stigma which attaches to the present system.

17. If the schedule of tonnage is altered as recommended, it will be necessary to make a change in the tonnage scale which regulates the vessels that branch, master, and mate pilots may take charge of. The average tonnage

* Suitable grounds for fee for pilots for extra work suggested by the assistant port officers.

1. Joining a ship in Calcutta at night to make ready for a day-light start, where a day's time or tug hire is saved.
2. Going out from Saugor at night.
3. For keeping under weigh after dark within permitted limits whereby the vessel piloted saves a bar in the morning that would otherwise be lost.
4. Pilot's detention money on board ships awaiting orders should be levied at pay rates fixed by Government for the purposes of Leave Rules, 1878, Supplement H. C. L. C.

of vessels trading to the port has increased so largely that an unduly large number falls to the share of the branch pilots. The present limit for branch pilots is 1,300* tons; and of the total number of entries during 1878-79, 525 were above that tonnage, leaving only 442 for masters and mates. The branch pilots could not, however, take all the vessels which the scale assigned to them, and of the 525 which they could have claimed only 311 were piloted by branch pilots; the remainder fell to the master pilots.

18. In concluding this part of the report, we would submit, for the consideration of Government, that should it be decided to adopt either of the scales herein proposed, it should be clearly laid down that it is open to Government at any time to revise the scale should it be shown that the charge on account of pilotage is greater than is necessary to maintain the service efficiently. The receipts on the new scale will vary with the tonnage of the port, and increase as it increases. But pilots should clearly understand that it is always open to Government to revise the rate, so that the trade of the port shall not be taxed to a greater extent than is necessary to give them an adequate income.

19. It has already been decided that an average salary of—Rs. 1,000 per mensem to branch pilots,

„ „ 700 „ to masters

„ „ 450 „ to mates

is all that pilots can reasonably claim, and the principle to be borne in mind in fixing pilotage should be to provide a sufficient sum to pay these average salaries, maintain

* Has been altered to 1,600 since this was drafted.

the pilot vessels and controlling establishment, and provide for leave and pension allowances. The leave allowances of the establishment have been recently considerably improved by a departure from the very small allowances fixed fifty or sixty years ago. It is possible that hereafter, with a view to add in a most effective way to the means of securing and maintaining a thoroughly efficient service for the pilotage of the Hooghly, Goverhment may see fit to make a similar improvment in the pension allowances of pilots, so as to make these more in accordance with the emoluments drawn in active service, and with the amount of pensions fixed for the uncovenanted service generally. This might be done without adding in any way to the cost of pilotage if the scale of salaries we have indicated above is adopted in dealing with the subject.

20. (4) *Reduction of Port expenditure.*—As regards the 4th question, *viz.*, the reduction of port expenditure, the Committee remark that the statements in the pamphlet refer rather to reductions which, it is alleged, have taken place than to reductions which the pilots point out as possible. Premising that their figures, as they themselves admit (paragraph 17), do not in all respects agree with those of the Government accounts, they enumerate seven heads of savings as follows:—

| | | Rs. |
|---|---|---|
| 1. | Reduction in number of brigs ... | 1,00,000 |
| 2. | Pensions ... ... | 5,000 |
| 3. | Leadsmen apprentices ... | 12,000 |
| 4. | Volunteers' home ... ... | 6,000 |
| 5. | Leave allowances ... ... | 10,000 |

| | | |
|---|---|---|
| 6. | Office establishment ... | 37,580 |
| 7. | Steamers ... ... | 30,000 |

21. Under heads Nos. 1 to 6 the argument is that these savings have taken place, and that therefore (as the Committee understand it) the money saved should be considered at the disposal of Government for increasing the pilots' share of allowances. On this the Committee have to remark that a claim of this kind can be based only upon a statement and comparison of the whole receipts and whole charges, inasmuch as there is no doubt that in accounts extending over a long series of years there have been savings under some heads and increases under others; and the real question is whether or not, on the whole account as it now stands (or as by proper administration it may be made to stand), there is a present excess of receipts.

22. In Appendix C are set forth the receipts and expenditure immediately connected with the Hooghly navigation which appear in the Bengal accounts for the past three years. They show the following results :—

| Years. | Receipts. Rs. | Expenditure. Rs. |
|---|---|---|
| 1876-77 ... ... | 12,80,741 | 13,00,253 |
| 1877-78 ... .. | 14,66,754 | 13,32,582 |
| 1878-79 ... ... | 11,84,232 | 12,04,094 |

(It must be remembered that 1877-78 was altogether an exceptional year as regards receipts).

These figures may contain some items that are open to objection as not strictly chargeable to Hooghly navigation; but, on the other hand, they include no charge on account of interest on block, which might possibly be

half a lakh of rupees, nor for pensions of establishments which would not be very much. Some not very large amounts would also have to be added for pilots' leave and pension allowances discharged by the Secretary of State.

23. The figures do not support the contention that Government has a margin in respect of Hooghly navigation which it can distribute in the form of increased allowances to pilots.

24. The questions which are raised in the pilots' representation regarding the distribution of the charges for Port Officer's establishment, and for the maintenance of the *Undaunted* and *Celerity* (or rather of one of these only, for not both are wholly charged in the Bengal accounts), are partly based upon misapprehension of the form in which the accounts are actually drawn up. No transfer or re-arrangement of these charges between pilot service and port approaches or lighting and surveying can alter the relation between the amount of receipts which Government has at its disposal for the whole service of the port and the charges which it has to meet out of them.

25. The pilots, however, suggest a reduction of expenditure in two directions, *viz.*, the Port Officer's establishment and the charge for a port steamer. On the first, the Committee made their recommendation in their first report. On the second, the Committee remark that, though a smaller vessel than the *Undaunted* might amply suffice for the pilot service, still it is no doubt necessary that Government should possess, for some of its purposes and for some even of the port purposes, a comparatively large vessel, and it is probably more econo-

mical that it should be used for the pilot service and other purposes than that an additional smaller one should be employed at the cost of laying up for a time the larger one.

We have the honor to remain,

SIR,

Your most obedient servants,

H. L. HARRISON,
J. WESTLAND,
W. L. SEARLE, *Captain.*
W. DUFF BRUCE,
F. W. PLACE.

# APPENDIX. A.

*Statement showing the Earnings and Rate of Pay of the Officers of the Pilot Service during last three years, including the month of April 1879.*

| [NAMES.] | Bank. | Rate of pay per month. | Earning or pay for April 1879. | Total earnings for the last three years. | Number of months for which average is taken. | Average earning per month. | REMARKS. |
|---|---|---|---|---|---|---|---|
| | | Rs. As. P. | Rs. As. P. | Rs. A. P. | | Rs. A. P. | |
| G. B. Smart ... | Senior Branch Pilot... | 700 0 0 | .... | 8,558 1 0 | ..... | .... | Pensioned, 1st February 1878. |
| G. B. Youngs ... | Ditto .. | 550 0 0 | .... | 7,920 0 0 | .... | .... | Died, 26th June 1877. |
| C. G. Smyth ... | Ditto .. | 550 0 0 | 1,216 7 8 | 49,092 7 11 | 36 | 1,363 10 10 | Running. |
| R. B. Yates ... | Branch Pilot .. | 550 0 0 | ..... | .... | .... | ..... | Special duty as Officiating Assistant Port Officer. |
| R. L. Long ... | Ditto .. | 550 0 0 | .... | 4,748 5 9 | 6 | 791 6 3 | Pensioned, 19th April 1877. |
| J. P. B. LePatourel | Ditto .. | 550 0 0 | 697 9 3 | 18,543 7 1 | 36 | 515 1 6 | Running, in command of. |
| R. M. Daly .. | Ditto ... | 550 0 0 | 985 7 10 | 40,136 9 7 | 31 | 1,293 11 7 | Ditto. |
| C. Matson .. | Ditto .. | 550 0 0 | ..... | 12,419 12 2 | 19 | 653 10 8 | On leave to Europe, 3rd May 1878. |
| A. J. B. Milner .. | Ditto ... | 550 0 0 | .... | 39,664 3 6 | 25 | 1,586 9 1 | On leave to Europe, 16th May 1878. |
| R. S. Evans .. | Ditto .. | 550 0 0 | 550 0 0 | 18,386 9 8 | 36 | 510 11 9 | On leave to Australia, 21st August 1877. |
| O. Lash .. | Ditto .. | 550 0 0 | 984 6 7 | 39,786 15 7 | 29 | 1,371 15 5 | Running. |
| R. C. Rutherfurd ... | Ditto .. | 550 0 0 | 550 0 0 | 14,183 11 7 | 18 | 787 15 9 | Commanding *Chinsurah*, P.V. |
| C. Heard .. | Ditto .. | 550 0 0 | 770 5 7 | 28,112 14 6 | 20 | 1,405 10 3 | Running. |
| J. R. Wells ... | Ditto ... | 550 0 0 | 670 0 7 | 20,717 5 0 | 17 | 1,218 10 7 | Ditto. |
| W. H. Lindqiust ... | Ditto ... | 550 0 0 | 966 9 6 | 43,715 5 6 | 36 | 1,214 5 0 | Ditto. |
| H. J. Philips ... | Senior Master Pilot... | 360 0 0 | ..... | 33,816 12 8 | 36 | 933 5 8 | On leave to Colony, 15th May 1878. |
| J. Dyer ... | Ditto ... | 360 0 0 | .... | 32,064 7 3 | 25 | 1,282 9 3 | On leave to Europe, 3rd May 1878. |
| J. Barnet ... | Ditto ... | 360 0 0 | 106 1 9 | 29,778 4 4 | 36 | 827 2 9 | Running as an Acting Branch Pilot. |

| | | | Rs. A. P. | Rs. A. P. | Rs. A. P. | | Rs. A. P. | |
|---|---|---|---|---|---|---|---|---|
| W. O. B. West .. | Ditto. .. | 360 0 0 | 510 0 0 | 23,980 0 8 | 36 | 805 0 0 | Acting Branch Pilot in command of *Coleroon* P. V. |
| W. K. Douglas .. | Ditto. ... | 360 0 0 | 990 7 1 | 36,890 12 9 | 36 | 1,024 11 10 | Running as an Acting Branch Pilot. |
| F. Ancell .. | Ditto. ... | 360 0 0 | 287 1 7 | 35,775 11 5 | 36 | 993 12 3 | Ditto. |
| J. H. Lambrick .. | Ditto. ... | 360 0 0 | .... | 32,187 5 0 | 36 | 894 1 5 | Running. |
| D. J. Scott .. | Ditto. ... | 360 0 0 | 624 7 2 | 30,691 14 9 | 36 | 852 3 10 | Ditto. |
| W. A. Symons .. | Ditto. ... | 320 0 0 | 621 14 4 | 15,296 14 11 | 17 | 899 13 1 | Ditto. |
| T. Doggett .. | Ditto. ... | 320 0 0 | .... | 28,906 7 7 | 28 | 1,032 5 11 | On leave to Europe, 1st March 1879. |
| R. Rust .. | Ditto. .. | 320 0 0 | 621 14 4 | 19,873 7 0 | 18 | 1,104 1 3 | Running. |
| C. C. Collingwood... | Ditto. ... | 320 0 0 | ..... | 24,100 2 8 | 24 | 1,004 2 9 | On leave to Europe, 15th March 1878. |
| S. Ransom .. | Ditto. ... | 320 0 0 | 488 4 0 | 30,064 12 0 | 36 | 835 2 1 | Running. |
| J. H. Sherman ... | Ditto. ... | 320 0 0 | ..... | 32,546 8 0 | 36 | 904 1 1 | Ditto. |
| C. S. Mills ... | Ditto. ... | 320 0 0 | 521 8 9 | 18,747 6 11 | 22 | 852 2 6 | Ditto. |
| | Ditto. .. | 320 0 0 | 636 8 4 | 18,510 5 6 | 36 | 514 2 9 | Ditto. |
| G. M. Anderson ... | Ditto. ... | 320 0 0 | 1,048 0 7 | 31,342 8 5 | 31 | 1,011 0 9 | Ditto. |
| H. W. Wooldridge | Ditto. ... | 320 0 0 | 747 7 4 | 31,349 12 3 | 36 | 870 13 2 | Ditto. |
| F. Hough ... | Ditto. ... | 320 0 0 | 621 14 4 | 11,425 6 11 | 17 | 672 1 4 | Ditto. |
| E. F. Collingwood | Ditto. .. | 320 0 0 | 1,222 4 7 | 26,550 10 6 | 28 | 948 3 9 | Ditto. |
| J. F. Hudson ... | Ditto. ... | 320 0 0 | ..... | 21,409 5 0 | 26 | 823 6 11 | On leave to Europe, 22nd June 1878. |
| A. T. Broadhead ... | Ditto. ... | 320 0 0 | .... | 27,288 3 1 | 36 | 758 0 1 | On leave to England, 1st March 1879. |
| T. Reddie ... | | | | | | | |
| F. T. Rayner ... | Ditto. ... | 320 0 0 | 701 15 11 | 10,031 8 2 | 27 | 371 8 7 | Running. |
| J. Ralph .. | Ditto. .. | 280 0 0 | 175 9 0 | 12,463 9 8 | 18 | 692 6 9 | Ditto. |
| G. Burn ... | Ditto. ... | 280 0 0 | 561 10 10 | 19,650 4 6 | 26 | 755 12 5 | Ditto. |
| J. Christie ... | Ditto. ... | 280 0 0 | 1,135 2 9 | 28,152 0 0 | 30 | 938 6 4 | Ditto. |
| S. Bartlett ... | Ditto. ... | 280 0 0 | 574 1 7 | 15,165 0 5 | 36 | 420 2 2 | Ditto. |
| W. R. Williams ... | Ditto .. | 280 0 0 | 679 15 0 | 22,152 4 5 | 36 | 615 5 5 | Ditto. |
| P. J. Holt .. | Ditto .. | 280 0 0 | 177 5 4 | 13,756 4 7 | 36 | 379 5 5 | Ditto. |
| N. T. Wawn ... | Junior Master Pilot .. | 280 0 0 | 495 11 8 | 21,320 0 6 | 36 | 592 3 6 | Ditto. |
| J. L. Symons ... | Master Pilot .. | 280 0 0 | .... | 4,807 11 6 | 7 | 686 13 0 | Dismissed, 9th November 1876. |
| R. J. Moule ... | Ditto .. | 280 0 0 | .... | 18,390 4 2 | 23 | 799 9 2 | Died, 18th March 1878. |
| T. Syvret ... | Licensed Master Pilot | on 60% pilotage.. | ..... | 15,497 8 3 | 19 | 815 10 6 | Removed from the service, 22nd May 1878. |

# APENDIX A. *(Continued.)*

| NAMES. | RANK. | RATE OF PAY PER MONTH. | EARNING OR PAY FOR APRIL 1879 | TOTAL EARNINGS FOR THE LAST THREE YEARS. | NUMBER OF MONTHS FOR WHICH AVERAGE IS TAKEN. | AVERAGE EARNING PER MONTH. | REMARK. |
|---|---|---|---|---|---|---|---|
| G J. C. Smart ... | Licensed Master Pilot | on 50% Pilotage.. | ..... | 16,689 4 0 | 30 | 556 4 11 | Dismissed, 22nd October 1878. |
| W. Wart ... | Licensed Mate Pilot... | Ditto .. | ..... | 7,363 8 0 | 19 | 387 8 10 | Died, 10th November 1877. |
| A. Renauland ... | Ditto .. | Ditto .. | ..... | 4,875 5 0 | 14 | 348 3 9 | Dismissed, 8th August 1877. |
| J. Taylor ... | Licensed Branch Pilot | ,, 60% ,, .. | 1,270 3 1 | 57,690 6 6 | 36 | 1,602 8 2 | Running. |
| B. Mauger ... | Licensed Senior Master | Ditto .. | 383 1 7 | 29,681 12 8 | 36 | 824 7 10 | Ditto. |
| J. H. Jones ... | Ditto .. | Ditto .. | 745 10 11 | 24,663 12 4 | 25 | 986 12 0 | Ditto. |
| S. R. Elson ... | Ditto .. | Ditto .. | 352 7 11 | 30,656 1 5 | 36 | 851 8 7 | Ditto. |
| A. W. Phipson ... | Ditto .. | Ditto .. | 258 4 9 | 20,544 2 4 | 36 | 570 10 8 | Ditto. |
| S. E. Walker ... | Ditto .. | ,, 50% ,, .. | 334 14 0 | 19,134 7 1 | 33 | 579 13 3 | Ditto. |
| M. McCaskill ... | Ditto .. | ,, 60% ,, .. | ..... | 22,939 6 4 | 36 | 636 3 3 | Ditto. |
| C. A. Lidston ... | Ditto .. | ,, 50% ,, .. | 478 8 0 | 20,488 6 2 | 28 | 731 11 7 | Ditto. |
| D. F. Miller .. | Ditto .. | ,, 60% ,, ... | 396 1 9 | 20,471 14 9 | 30 | 682 6 4 | Ditto. |
| R. A. Worthy .. | Ditto .. | ,, 50% ,, ... | ..... | 31,795 5 10 | 36 | 883 3 3 | Ditto. |
| H. Lindquist .. | Ditto .. | Ditto .. | 355 2 0 | 17,675 6 10 | 36 | 490 15 1 | Ditto. |
| L. P. Goodwin .. | Ditto ... | Ditto .. | 239 4 0 | 19,199 5 1 | 36 | 533 6 5 | Ditto. |
| F. C. Cooper .. | Ditto .. | Ditto .. | 554 10 0 | 22,750 9 4 | 36 | 631 15 4 | Ditto. |
| F. D. Bellews .. | Licensed Junior Master | Ditto .. | ..... | 18,516 12 7 | 36 | 514 5 8 | Ditto. |
| P. Paulson .. | Licensed Mate Pilot .. | Ditto .. | 239 4 0 | 22,184 0 7 | 36 | 616 3 6 | Running as an Acting Master. |
| W. Laws .. | Ditto ... | Ditto .. | 180 3 0 | 11,944 13 7 | 36 | 331 12 9 | Running. |
| J. D. Bennett .. | Ditto .. | Ditto .. | 269 1 0 | 13,736 12 6 | 36 | 381 9 2 | Running as an Acting Master. |
| R. H. Shelverton .. | Ditto .. | Ditto .. | 381 2 0 | 14,062 1 2 | 36 | 390 9 9 | Running. |
| W. Kendall .. | Ditto .. | Ditto .. | .... | 17,188 11 6 | 36 | 477 7 5 | Ditto. |
| A. Marshall .. | Ditto .. | Ditto .. | 294 0 0 | 8,195 10 3 | 21 | 390 4 3 | Ditto. |
| A. Manger .. | Ditto .. | Ditto ... | 204 8 8 | 3,963 3 11 | 19 | 208 9 5 | Ditto. |
| W. T. Wawn ... | Ditto .. | Ditto .. | 278 7 4 | 4,647 14 6 | 19 | 234 1 7 | Ditto. |
| C. J. Worthy .. | Ditto .. | Ditto .. | 133 0 0 | 5,820 4 6 | 22 | 264 8 11 | Ditto. |

## APPENDIX B.

*The average emoluments of the Service as given in the following figures are taken from the actual payments of* 1878-79.

| | Rs. |
|---|---|
| Percentage paid to 60 per cent. pilots ... | 3,26,630 |
| Subsistence allowance to those officers who are not licensed pilots when sick, &c. | 23,057 |
| Total payments to 60 per cent. working pilots | 3,49,687 |
| Average emoluments to 60 per cent. running officers ... ... ... | 9,202 |
| Percentage paid to 50 per cent. pilots ... | 80,232 |
| Average emoluments of 50 per cent. pilots ... | 5,014 |

# APPENDIX C.

| | 1876-77. | 1877-78. | 1878-79. |
|---|---|---|---|
| **RECEIPTS.** | Rs. | Rs. | Rs. |
| Pilotage receipts ... ... .. | 9,44,360 | 10,74,869 | 8,62,716 |
| Registration, &c., fees .. .. .. | 23,721 | 26,633 | 24,535 |
| Mess money deductions... ... .. | 15,449 | 14,817 | 14,871 |
| Port receipts .. .. .. | 2,77,380 | 3,27,500 | 2,65,567 |
| Miscellaneous .. ... ... | 11,508 | 13,554 | 8,797 |
| | 12,72,418 | 14,57,423 | 11,76,486 |
| Pension fund deductions .. .. | 8,328 | 9,331 | 7,746 |
| TOTAL RECEIPTS .. | 12,80,741 | 14,66,754 | 11,84,232 |
| **EXPENDITURE.** | | | |
| PORT OFFICER AND ESTABLISHMENT .. | 42,134 | 64,393 | 55,949 |
| MARINE COURT ... .. .. | 3,378 | 3,470 | 3,582 |
| SHIPPING-MASTER .. .. .. | 16,423 | 17,217 | 18,185 |
| PILOTS' ALLOWANCES ... .. .. | 6,15,862 | 6,20,481 | 4,73,032 |
| | 6,77,797 | 7,05,561 | 5,50,748 |
| PILOT VESSELS—Establishments .. ... | 56,847 | 55,750 | 55,973 |
| Pilots' mess money, passage, and miscellaneous .. .. ... | 25,452 | 24,666 | 29,978 |
| Building and repairs ... ... | 22,348 | 16,995 | ..... 18,000 |
| Victuals .. ... ... | Included under stores. | 7,232 | 53 6,000 |
| Coals ... ... ... | 774 | 779 | 500 |
| Timber and stores ... ... .. | 22,914 | 17,593 | 16,170 |
| | 1,27,335 | 1,23,015 | 1,02,174 24,500 |
| "UNDAUNTED" AND "CELERITY"—Establishments— | | | |
| "Undaunted" .. .. .. | 14,988 | 27,358 | 25,195 |
| "Celerity" .. .. .. | 14,883 | 6,018 | 2,394 |
| Buildings and repairs ... .. | 55,482 | 52,053 | 20,000 |
| Victuals .. .. ... | Included under stores. | 2,661 | 2,000 |
| Coals .. .. .. | 20,873 | 18,580 | 11,000 |
| Timber and stores ... ... .. | 13,408 | 8,479 | 12,281 |
| | 1,19,629 | 1,15,149 | 39,870 33,000 |
| FALSE POINT LIGHT ... .. .. | 9,345 | 9,180 | 8,458 |
| New light for above .. ... .. | ..... | .... | 32,778 |
| MUTLAH LIGHT-VESSELS .. .. | 34,938 | 24,663 | 14,864 16,000 |

# APPENDIX C.—*(Continued.)*

| RECEIPTS.—*(Continued.)* | 1876-77. | 1877-78. | 1878-79. |
|---|---|---|---|
| | Rs. | Rs. | Rs. |
| CALCUTTA PORT APPROACHES— | | | |
| River light-vessels .. .. .. | 1,10,804 | 1,43,768 | 88,053<br>**65,320** |
| „ „ houses .. .. .. | 11,962 | 11,572 | 6,478<br>**6,002** |
| „ surveying-vessels ... .. | 63,414 | 64,652 | 84,395<br>**17,838** |
| Buoy and anchor-vessels ... ... | 33,153 | 32,076 | 5,713<br>**10,568** |
| Miscellaneous boats.. .. ... | 11,127 | 13,934 | 1,624<br>**4,588** |
| Tidal semaphores .. .. .. | Not shown separately. | 3,048 | 2,985<br>**356** |
| Telegrams ... .. .. | 5,946 | 9,056 | 7,717 |
| Repair of channel buoys ... .. | 33,258 | 10,692 | ....<br>**10,000** |
| Allowance for collecting marine dues .. | 3,500 | 3,500 | 3,500 |
| Harbour Masters' fees | 3,032 | 4,695 | 2,359 |
| Mooring hire for light-vessels .. .. | 5,040 | 5,040 | 1,071 |
| Miscellaneous .. ... .. | 459 | 531 | 1,272 |
| | 2,81,695 | 3,02,574 | 2,05,167<br>**1,14,672** |
| | 12,50,739 | 12,55,479 | 9,39,195<br>**1,72,172** |
| MARINE PENSIONS AND GRATUITIES .. | 49,514 | 52,440 | 61,863 |
| TOTAL EXPENDITURE .. | 13,00,253 | 13,32,582 | 10,15,922<br>**1,88,172** |

The thick type in the 1878-79 column is the estimated Dockyard expenditure, of which the account has not yet been received.

*From Chamber to Government of Bengal,*
*Calcutta, 9th February* 1880.

THE Committee of the Chamber of Commerce direct me to acknowledge the receipt of your letter No. 1715, of the 23rd of December, forwarding copy of a Report by a Marine Committee on the question of charges for pilotage and other matters connected therewith.

The attention of the Chamber is drawn to paragraphs 3 to 8 of that Report, and their views thereon are invited by His Honor the Lieutenant-Governor; and I am desired to submit the following remarks in reply.

It would appear from the Report that a representation has been made by the officers of the Pilot Establishment that, under the present system of charging pilotage, their remuneration does not increase in proportion to the responsibility incurred in navigating vessels of much greater tonnage than those which formerly visited this port; that while the tonnage of vessels has increased largely during the last 20 years the receipts from pilotage have remained without any material change, and the remuneration of pilots has not kept pace with the changes that have been introduced in the build of vessels resulting in considerable advantages their owners.

The Marine Committee are of opinion that the present plan of charging pilotage by *draft only* is no longer equitable, and that it should be displaced by a system under which the charge would be levied on *tonnage and draft combined*, which they submit would be fairer alike to owners of vessels and the Pilot Service: and they illustrate the necessity for a modification of the present scale of charges by a statement of vessels of varying

tonnage, and of their draft inward and outward, and of the pilotage levied thereon. They are also of opinion that if the present system of charging by draft only is to be continued, a minimum charge for vessels below a certain tonnage should be fixed, or in other words, a minimum draft maintained applicable to all vessels, whatever their tonnage.

The subject submitted for the consideration of the Committee of the Chamber has had their best attention, and I am desired to place before His Honor the Lieutenant-Governor the conclusions at which they have arrived.

The Committee are constrained to dissent from the views expressed in favor of a rule fixing a minimum draft for pilotage charge, for they are of opinion that the present system is fair and equitable in practice, and should not be disturbed; they consider that a vessel's draft should be regarded as the basis on which such system should rest, for it would be manifestly unjust to establish a hard and fast line of a minimum of 16 feet, which would render it compulsory on vessels of smaller register tonnage, and drawing much less than such minimum, to pay nearly the same pilotage which would be due by much larger vessels, which, from their peculiar build, are enabled to carry relatively larger cargoes at drafts not greatly exceeding those of vessels of smaller tonnage.

Almost the entire fleet of the British India Steam Navigation Company trading with Indian ports, as well as other vessels engaged in the coasting trade of India, and all others coming in ballast or with limited cargoes, would feel the injustice of the proposed minimum.

In illustrating the necessity for the change, the Marine Committee, in the 3rd paragraph of their Report, instance the cases of the ships "Loweswater" of 603, and "Great Victoria" of 2,386 tons, and they represent that a higher grade pilot in charge of the latter on her inward draft—a vessel nearly four times the size of the former—would receive much less than a lower grade pilot in charge of the other on her outward draft.

But it appears to the Committee of the Chamber that this illustration is somewhat delusive, since the full inward and outward pilotage charges in both cases—*viz.*, Rs. 302 and Rs. 825 respectively—point to a conclusion adverse to the argument that the remuneration received by the Branch Pilot was relatively less than that received by the Mate Pilot; for the circumstance appears to have been overlooked that, as a rule, the pilot who brings a ship up the river is applied for to take her down, and consequently that while he receives only a moderate remuneration on the trip up on account of the light draft of his ship, he receives a remuneration on the trip down, in the same vessel at her loading draft, on a scale which is obviously far more to his advantage than to the Mate Pilot in the smaller ship. Probably, too, the "Great Victoria" was in ballast when she came up the river, while the "Loweswater" was most likely fully laden when she was going down; and the former in tow of a powerful tug is a far easier matter for a pilot than the latter fully laden, in getting over many of the bars in the river and in economy of time—a point of material interest to the pilot.

On the general question of pilotage charges and allowances to pilots out of them, the Committee of the Cham-

ber are of opinion that the rates now levied are sufficient to provide adequate remuneration, and that the charges should not by any means be increased. They consider the Pilot Service is extremely well paid and the scale of remuneration sufficient to attract suitable men. From the statement in Appendix A, and taking the average of all the Branch and Master Pilots who had worked for 36 months consecutively, it would appear that the average pay for that time was of the former Rs. 1,300 and of the latter Rs. 850, exclusive of the bonuses they have been accustomed to receive, and which would probably average 300 to 400 rupees a month. Comparing these earnings with the incomes of men in the same social position, either in mercantile offices, or with commanders of steamers belonging to any of the large Companies trading in the tropics, the Pilot Service of this port is not by any means underpaid; for it must be remembered that they not only receive salary from the day they first enter the service, but in a few years they earn incomes far in excess of that of any master of a vessel, who has much greater responsibilities on his shoulders, and they possess not only the advantages of obtaining furlough or other leave, but they have a liberal pension to fall back upon.

The Committee are of opinion that an immoderate stress is laid by the Pilot Service on the responsibility which they incur in navigating large vessels in the Hooghly: a great point is made of this, and it has been urged that their remuneration does not increase in proportion to the responsibility which attaches to the charge of vessels of greater tonnage than they formerly dealt with. But in what does this responsibility consist? Although nomi-

nally liable for damages in certain events, pilots are practically free from pecuniary liability; and the efficient discharge of duty is the limit of what they are answerable for, whether their vessels are large or small. The Committee are not unmindful of the character of the navigation of the Hooghly, and that great judgment and skill and vigilance are involved in the performance of a pilot's work; but gradually acquired experience has enabled him to undertake with the greatest confidence the charge of the large and heavy drafted vessels—steam or sailing—which are now so common.

Having regard to the generally heavy expenses incurred by vessels visiting the port of Calcutta, the Committee of the Chamber strongly deprecate any changes that are not in the direction of reduction of charges already levied, and they cannot approve of any proposal which would involve an addition to the rates of pilotage which shipowners have to bear.

The reduction of pilotage now allowed to steamers or to vessels using steam—and the instances are very rare in which sailing vessels are not towed to and from the port—should, in the judgment of the Committee, be continued, and every encouragement given so as to induce seeking ships to come to Calcutta by as low a scale of charges as possible, instead of determining them to go elsewhere by an enhancement of the present schedule as proposed by the Marine Committee in the 8th para. of their Report.

In the 16th paragraph reference is made to the subject of gratuities, and it is recommended that it would be better to recognise certain extra services and introduce

a scale of fees, and so legalise payments to pilots which they cannot at present receive, except in breach of the prohibition against such remuneration.

There can be no question that pilots have it in their power, by a rigid observance of regulation hours for work, to put owners of vessels to a good deal of inconvenience and expense; and on the other hand, they can render special service by extra work and personal exertion, resulting in the saving of time, steam hire, and other advantages to the ship, and for such extra work and service pilots naturally look for corresponding remuneration.

It is doubtful, however, whether a scale of fees for extra services could be framed so as to meet the varying circumstances under which they might be claimed, and the danger would arise that if such a system were legalised, there would be a strong temptation to strain its application. Masters of ships and their agents can best judge how far a pilot has gone out of his way to further their interests, and to what extent such service should be remunerated. The suggestion of the Marine Committee involves the legalising of a system which is at present declared to be illegal; and if on the ground of expediency the suggestion finds favor with the Government, the Committee of the Chamber are of opinion that the permission to give and take gratuities, for services rendered under circumstances best known to the parties interested, would be, in every respect, preferable to the compulsory payment by a scale of fees.

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*From the Government of Bengal, to the Chamber of Commerce. Marine—No.* 284, *Calcutta, the 26th February* 1880.

I am directed to acknowledge the receipt of your letter dated the 9th February 1880, submitting the views of the Chamber of Commerce on the proposals of the Marine Expenditure Committee regarding charges for pilotage and other matters connected therewith.

2. In reply, I am to say that the Lieutenant-Governor accepts the conclusions of the Chamber, and that he has decided not to alter the pilotage charges in the manner recommended by the Marine Committee.

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## PROPOSED AMALGAMATION OF THE DUTIES OF PORT OFFICER WITH THOSE OF THE PORT COMMISSIONERS.

In 1873 the Committee of the Chamber urged upon the Government of Bengal the desirableness of transferring the management of the port approaches to the Port Commissioners, being of opinion that the service would be more advantageously and economically performed if the control of the port from its northern limits to the Sandheads were vested in the Commissioners, instead of being, as at present, in the hands of two distinct administrations.

It appears that the question has been the subject of some correspondence between the Govern-

ment of Bengal and the Government of India, and the result has been the appointment of a Committee (in which the Chamber is represented) to inquire how far it is practicable to establish closer relations between the Port Officer and the Port Commissioners.

It is hoped that this Committee will be able to make proposals which will remove the doubts entertained by the Government of Bengal as to the possibility of carrying out an amalgamation on terms which would be equitable to the several parties affected by the arrangements.

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*From Government of Bengal to Chamber,—*

*No.* 30, *Calcutta, the* 15*th March* 1880.

WITH reference to your letter, dated the 23rd December 1878, I am directed to forward herewith a copy of the papers noted in the margin, regarding the proposed appointment of a Committee to discuss the question of amalgamating the duties of the Port Officer, Calcutta, with those of the Port Commissioners, and to request that the Chamber will be pleased to nominate one of their body as a member of the proposed Committee.

Letter to the Government of India, Department of Finance and Commerce.—No. 14, dated 26th January 1880.

Letter from the Government of India, Department of Finance and Commerce,—No. 1178, dated 10th March 1880.

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*From*—H. J. REYNOLDS, Esq., *Secy. to the Govt. of Bengal, General Dept., To*—*The Secy. to the Govt. of India, Department of Finance and Commerce*,—*No.* 14, *dated Calcutta, the 26th January* 1880.

I AM directed to reply to your letter No. 3546, dated the 30th October 1879, in which His Excellency the Governor-General in Council desires to be furnished with the views of the Lieutenant-Governor on the suggested amalgamation of the duties of the Port Officer with those of the Port Commissioners.

2. In previous correspondence, which has passed upon this subject, Sir Ashley Eden has expressed an opinion unfavourable to the proposed transfer; and he still entertains serious doubts whether it will be possible to carry out the amalgamation on terms which will at the same time be equitable to the several parties affected by the arrangements, and will also ensure efficiency and economy in the administration of the port approaches. In particular, he would represent that the position of the Pilot Service, under any such scheme as has been suggested, would have to be very carefully considered; and while he cordially acknowledges the benefits which the Port Commissioners' management has conferred upon the port of Calcutta, he is not fully satisfied that it would be judicious to entrust new and complex responsibilities to a body of gentlemen who can necessarily devote only a small portion of their time to their public duties.

3. At the same time, the Lieutenant-Governor recognizes the advantages which would be derived from the establishment of closer relations between the Port Officer and the Port Commissioners; and if it should appear that these advantages can only be secured by an amal-

gamation of the two departments, he will be prepared to consider how far such an amalgamation may be practicable. The wishes of the Government of India will, the Lieutenant-Governor believes, be most completely met by the appointment of a Committee to discuss the question in all its financial and administrative bearings, and to report whether amalgamation would be possible, and whether the object in view could be attained by any arrangements short of the complete fusion of the Port Office with the Port Commissioners' establishment. The former proposals of the Port Commissioners, conveyed in their letter No. 1157 of the 9th August 1876, appear to Sir Ashley Eden, as they appeared to his predecessor, to be inadmissible; but the Commissioners have expressed their readiness to re-consider those suggestions, and the Committee which it is now proposed to convene would perhaps be able to formulate a scheme which the Government could accept.

4. The Lieutenant-Governor proposes to appoint the present Chairman of the Port Commissioners, Mr. C. T. Buckland, to be President of the Committee, and to ask the Port Commissioners also to nominate a member from their own body. He would also request the Chamber of Commerce to nominate a gentleman to serve on the Committee. It would be desirable that the Committee should be strengthened by the appointment of a member from the Department of Account, and by the assistance of the Superintendent of Marine. The Committee would be completed by the nomination of a representative of the Pilot Service, and of one of the Secretaries to the Government of Bengal.

5. If this method of dealing with the question is approved by His Excellency the Governor-General in Council, I am directed to request that the Government of India will be pleased to nominate an officer of the Financial Department to serve on the Committee, and will also permit the Superintendent of Marine to act as a member.

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*From*—R. B. CHAPMAN, ESQ., *Secy. to the Govt. of India, Department of Finance and Commerce, To—The Secy. to the Government of Bengal, General Department (Marine)—No.* 1173, *dated Fort William, the* 10*th March* 1880.

I AM directed to state that the Governor-General in Council approves of the appointment of the Committee indicated in your letter No. 14, dated the 26th January last, for discussing the suggested amalgamation of the duties of the Port Officer of Calcutta with those of the Port Commissioners. The services of the Accountant-General, Bengal, and the Superintendent of Marine, Eastern Division, are available for appointment as members of the Committee.

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Copy forwarded to the Accountant-General, Bengal, for information and guidance. Copy also to the Marine Department.

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*From Chamber to Government of Bengal,*
*Calcutta,* 30*th March* 1880.

The Committee of the Chamber of Commerce desire me to acknowledge the receipt of your letter No. 30 of the 15th instant, and to nominate their colleague Mr. H. B. H. Turner, of Messrs. Turner, Morrison and Co., to serve as a member of the Committee appointed to

discuss the question of amalgamating the duties of the Port Officer with those of the Port Commissioners.

## RAILWAY EXTENSION IN BENGAL.

### DIRECT LINE FROM CALCUTTA TO BOMBAY VIA NAGPORE.

NOTWITHSTANDING their urgent recommendation in June 1876 that any portion of railway lines east of Nagpore should be made on the broad gauge, and thus form a part of a direct through line to Bombay, the Committee regret to report that the Secretary of State has sanctioned the adoption of the metre or narrow gauge, on which 50 miles have already been constructed.

The Committee are glad to note the various railway schemes of the local Government, and think that, when carried out, they will largely benefit the internal trade of the country.

*From Chamber to Government of India.*

*Calcutta, 23rd December* 1879.

The Committee of the Chamber of Commerce observe in the *Pioneer* newspaper of the 28th ultimo a Notification published by the Chief Commissioner of the Central Provinces, to the effect that His Excellency the Governor-General in Council having sanctioned the con-

struction of a railway between Nagpore and Raipore at an estimated cost of Rs. 74,68,000, and the raising of that sum or any part thereof by the issue of a Provincial Debenture Loan, the Chief Commissioner has resolved to avail himself of that authority by borrowing five lacs.

The Committee notice this movement with much satisfaction, as it would appear to be the commencement of an undertaking which will eventually connect Calcutta with Bombay by a much shorter and more direct route than the present one *viâ* Jubbulpore. Large tracts of country abounding in agricultural, mineral, and other valuable resources will thereby be opened up, and the industry of the people stimulated by possessing greater facilities than they have hitherto had for the carriage of their produce to places of consumption at present beyond their reach.

Upon this important subject the Committee addressed the Government of India on the 28th June 1876, and they were informed in reply, under date the 12th October following, that the then contemplated line of railway from Nagpore to Chutteesgurh would probably be extended either through Raipore and Sumbulpore on to Calcutta, or through Raipore and Belaspore to join the East Indian Railway at or near Raneegunge.

On the 20th November the Committee again placed themselves in communication with the Government on the very material question of the gauge which should be adopted, and they expressed the opinion that the proposed line to Nagpore—running through some of the richest provinces, and connecting them in a direct line with the two large ports of Calcutta and Bombay—would become

one of the most important in India, and that the maintenance of the *standard* gauge appeared not only advisable but a matter of necessity, as its junction with the Great Indian Peninsular and Nagpore and with the East Indian, at some convenient point, so as to admit of traffic passing direct to either of the presidency terminal stations, would involve the adoption of a gauge uniform with the broad gauge of those two main lines, and that the disadvantages and inconveniences attending a break of gauge would be thereby obviated.

The Committee received no reply to that representation.

As the Committee are of opinion that the gauge of the proposed line is a matter of paramount interest and importance, and that the advantages of uniformity with the trunk lines between Bombay and Calcutta outweigh the consideration of the difference of cost of lighter lines on the metre gauge, they hope to be informed, in reply to the reference they now make, that the decision of Government is in harmony with the views to which they ventured to give expression.

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*From Government of India to Chamber,*
*No. 059 R.C.,—Calcutta, 27th January* 1880.

I am directed to acknowledge the receipt of your letter dated the 23rd December 1879, stating that the Committee of the Chamber of Commerce have noticed with much satisfaction the sanction given by His Excellency the Governor-General in Council for the construction of a railway between Nagpore and Raipore, and expessing the hope that the line will be constructed on the broad gauge, and eventually extended to Calcutta.

2. In reply, I am to state that, in conformity with instructions received from the Secretary of State, this line is being constructed on the metre gauge. Considerable progress has already been made with the works, and it is expected that 50 miles will be opened for traffic in a few weeks; it is therefore too late now to take into consideration the question of a change of gauge.

3. I am to add that the country through which the extension of this railway to Calcutta would pass is very sparsely inhabited, and that as the line would not prove remunerative, the prospect of its construction being undertaken under recent rules as a Productive Public Work is believed to be remote.

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*From Chamber to Government of India.*

*Calcutta, 5th February* 1880.

The Committee of the Chamber of Commerce direct me to acknowledge the receipt of your letter No. 059 of the 27th ultimo, and to thank you for the information it contains regarding the railway between Nagpore and Raipore.

They cannot, however, withhold the expression of their regret that the gauge upon which the line has been constructed is not uniform with that of the Great Indian Peninsular and East Indian railways.

In the Chamber's letter of 20th November 1876, it was strongly urged that the gauge of the Nagpore line should be uniform with the broad gauge of those two main lines of communication between Calcutta and Bombay, with the view to admit of unbroken traffic throughout, and to secure the permanent advantage of all those lines being free

from the mischievous consequences of break of gauge; and the Committee see no reason whatever to modify the views they then submitted for the consideration of Government.

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*From Chamber to Government of Bengal.*

*Calcutta, 10th March 1880.*

The statement published in the Supplement to the *Calcutta Gazette* of the 18th ultimo, relative to railway extensions in Bengal, presents a very encouraging feature, in the government of this Province, and the Committee of the Chamber of Commerce desire to record their satisfaction not only with what has been accomplished but also with the prospect of further progress.

With reference to the recognized necessity for a line from Calcutta to Chutteesgurh to join the line now under construction from Nagpore to Raipore, so as to make a direct route from Calcutta to Bombay, the Committee desire to express their concurrence in the expediency of its early establishment, and to place before His Honor the Lieutenant-Governor the views already submitted by them for the consideration of the Government of India regarding this important section of railway communication between the two Presidencies.

In June 1876 the Committee were anxious to ascertain whether the Government had had under consideration the question of constructing a line from Calcutta to Nagpore *vid* Midnapore, Sumbulpore, Raipore, &c.; whether that part of the country had been surveyed with the view to establish railway communication; and whether the agri-

cultural and other industries of the people, and their probable requirements of the produce and manufactures available at Calcutta and other large markets for British merchandise, would yield a traffic of sufficient magnitude and value to justify the construction of the railway.

As far as the Committee's information went, it appeared that the line would shorten the distance from Calcutta to Bombay by about 300 miles, that it would supply a much-required means of access to the province of Orissa, and open up fertile agricultural and rich mineral districts, and that the extension of railway facilities would be followed with great benefit to the inhabitants of a large tract of country who have not had the opportunity of feeling and appreciating the influence of direct speedy communication with other parts of India.

The Committee were informed in reply that it was in contemplation, under provisional sanction from the Secretary of State, to proceed with the construction of a line from Nagpore to Chutteesgurh ; that it would no doubt become hereafter desirable to extend the line either through Raipore and Sumbulpore to Calcutta, or through Raipore and Belaspore to join the East Indian Railway at or near Raneegunge ; and that the requisite explorations and surveys would be undertaken when means were available.

In acknowledging the above letter, the Committee took the opportunity to introduce the question of gauge, and submitted that as the proposed line would run through some of the richest provinces of this country, and connect them with the two large ports of Calcutta and Bombay, it would become one of the most important in India, and

that the maintenance of the standard or broad gauge appeared not only advisable but a matter of necessity, as the junction with the Great Indian Peninsular Railway at Nagpore and with the East Indian at Raneegunge, or any other convenient point, so as to admit of traffic passing on direct either to Bombay or to Calcutta, would involve the adoption of a gauge uniform with that of those two main lines.

The Committee represented that—although a narrow or metre gauge may be suitable to subsidiary lines or to traffic in distant and isolated districts, the conveyance of which by railways of the lightest and cheapest construction would obviously be of immense improvement upon the primitive means of transport in such localities, and the absence of uniformity of gauge would be immaterial —from Calcutta to Nagpore a broad gauge line of the most durable construction would be the least costly in the long run; and while that material object would be gained, it would be accompanied by the permanent advantage of a gauge corresponding with the trunk lines to the Presidencies and the traffic on the line being unhampered by the evils attendant on break of gauge.

The Committee received no reply to this representation; but towards the end of last year they observed that a notification had been published by the Chief Commissioner of the Central Provinces, to the effect that His Excellency the Governor-General in Council having sanctioned the construction of a railway between Nagpore and Raipore at an estimated cost of Rs. 74,68,000, a provincial debenture loan would be issued, and the Chief Commissioner would avail himself of that authority by borrowing 5 lacs.

Whereupon the Committee again addressed the Government of India, and expressed their hope that on the question of gauge the decision of Government was in harmony with the views they had already communicated.

The reply has been disappointing, as it is intimated that, in conformity with instructions received from the Secretary of State, the line is being constructed on the metre gauge; that considerable progress had already been made with the works, and it was expected that 50 miles would be opened for traffic in a few weeks, and it was therefore too late now to take into consideration the question of a change of gauge.

It was added that the country through which the extension of the railway to Calcutta would pass was very sparsely inhabited, and that as the line would not prove remunerative, the prospect of its construction being undertaken, under recent rules, as a Productive Public Work was believed to be remote.

The Committee cannot but regret the decision which has been come to regarding the Chutteesgurh section of the line now in course of construction, as they believed it to be a mistaken policy to view a line running through that district to meet a line from Calcutta merely from a local stand-point, and with reference simply to the traffic to be expected from local sources. The Committee have little doubt that eventually this line will become one of the most important in the whole of India, and when the various links in the chain are completed, it will, as a through line, receive an amount of traffic which will amply repay the extra cost of construction on the broad gauge

principle. They do not undervalue the utility of metre gauge lines as feeders to the main trunk lines of the country, and also through districts to which it is unlikely that a through traffic from places beyond will be attracted. The line under notice belongs, however, to quite a different category, as it will certainly form the main line of communication between the two most important ports in India alike for goods, passengers, and mails.

In view of these facts, the Committee of the Chamber venture to hope that they may count upon the powerful advocacy of the Bengal Government in support of the views they have stated when the time comes for His Honor the Lieutenant-Governor to submit a definite project for the construction of a line from Calcutta in the direction of Nagpore.

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*From Government of Bengal, to Chamber,—*

*No. 297 S.R., Calcutta, 30th March* 1880.

I am directed to acknowledge the receipt of your letter of the 10th instant, regarding railway communication between the presidencies of Bengal and Bombay, and, in reply, to state that His Honor the Lieutenant-Governor is most anxious for direct communication with Bombay *viâ* Chota Nagpore, and he hopes to depute an officer, if available, next cold season to reconnoitre the country, and report upon the best line of country for a railway to take, as this preliminary step will be necessary before any detailed survey can be ordered.

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*From the Chamber to Government of Bengal.*

*Calcutta, 5th April* 1880.

The Committee of the Chamber of Commerce desire me to acknowledge the receipt of your letter No. 297 of the 30th of last month.

They gladly learn that His Honor the Lieutenant-Governor is most anxious for direct communication with Bombay and Chota Nagpore, and that preliminary steps may probably be taken next cold season with the view to report upon the country for a line of railway.

The Committee trust they do not misinterpret the term "direct communication," if they assume that Sir Ashley Eden concurs in their opinon that the railway shall be constructed on the broad gauge, uniform with that of the Great Indian Peninsular from Bombay to Nagpore and of the East Indian railway, with which the contemplated new line may hereafter be brought into conjunction.

The question of gauge was specially dwelt upon by the Committee, who were anxious to obtain His Honor's advocacy of their views regarding it.

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## TRANSPORT AND STORAGE OF INFLAMABLE OILS.

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It will be in the recollection of members that this subject was referred by the Government of Bengal to a special Committee, at which the Chamber was represented by Mr. J. N.

Stuart, and the result of their labors has been submitted in a very exhaustive report which is here published for the information of members, together with the recommendatory letter from the Government of Bengal to the Government of India, which shows how far the matter has progressed. Since the issue of the papers now placed before the Chamber, no steps towards legislative enactment appear to have been taken by Government, and meantime this branch of the import trade is mainly under restrictions by the Police and Port Commissioners, against which however no complaints have so far reached the Chamber. When the proposed enactment is published, the Committee's careful attention will be given to it, with the view to prevent any undue interference with a trade which is rapidly developing itself, and bids fair to become one of important extent.

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*From Govt. of Bengal to Govt. of India,—*
*No.* 901, *dated the* 15*th November* 1879.

With reference to your letter No. 904, dated the 12th August last; I am directed to submit the enclosed copy of the Report* by the Committee appointed for the purpose of considering the question of regulating the transport and storage of inflammable oils.

* No. 122JJ, dated 17th October 1879.

2. Sir Steuart Bayley concurs with the Committee in the necessity of any measure which the Legislature may introduce, being Imperial, and not confined to the province of Bengal. As the Committee point out, if greater restrictions are imposed upon the trade in inflammable oils in one part of India than in another, the only effect will be to drive the trade to those parts where it is least under restraint. The Lieutenant-Governor would therefore strongly recommend the introduction, into His Excellency the Governor-General's Council, at an early date, of a bill for regulating the import, custody, and transport of dangerous oils. The following are the chief recommendations of the Committee so far as they require to be incorporated in a new law.

3. The Committee recommend that "petroleum" (which, for reasons stated in paragraph XIV of their report, they propose to substitute for the term "inflammable oils") be in future tested by Professor Abel's close test, which is considered much safer and more reliable than the present test. They report that petroleum flashes when tried by the former test 27 degrees lower than by the latter test.

4. The Committee also recommend that instead of the present limit of 100°F. as the point above which no restriction should be placed upon the free import of oil, a higher limit should be fixed, *viz.*, 110°F. by the present test, corresponding to 83°F. by Professor Abel's test, and that instead of merely placing restriction, as in the present law, on the import of oil below this standard, it should be described as "dangerous petroleum," and, whenever conveyed in larger quantities than 40 gallons,

be subject to such close regulations as practically to make its ordinary use prohibitory.

5. The Committee would not, however, leave oil flashing above the new limit of 83°F. by Abel's test altogether free, but would divide it by law into two classes, called first and second class petroleum, according as it flashes above or below 103°F. by Abel's test. They would place first-class petroleum (which is considered practically safe) under no restrictions when imported in quantities not exceeding 15,000 gallons, except that facilities must be given for testing the oil by the Chemical Examiner, and that not more than 500 gallons may be stored in any unlicensed building. When vessels contain petroleum of the second-class in greater quantities than 40 gallons, the Committee would compel the oil to be landed at or below Metiabrooj as regards the port of Calcutta, and would impose upon it greater restrictions than in the case of first-class petroleum. It is proposed that all receptacles for petroleum should be marked in such a manner as to indicate clearly the character of the petroleum they contain.

6. The Committee assume that it will be left to the local Governments to make special rules for testing cargoes of petroleum, for regulating ships importing first or second-class petroleum, and for licensing warehouses for its custody. They suggest a series of rules for adoption in Calcutta.

7. The Lieutenant-Governor concurs generally in the outlines of the legislation proposed by the Committee, and described above. The recommendations, if anything, err on the side of caution, but the report is signed by

the members of the Committee nominated by the Bengal Chamber of Commerce and by the Calcutta Trades Association ; and it appears from the figures furnished by Mr. J. N. Stuart, who is largely interested in the import trade, that even under these restrictions first-class kerosine can be laid down in Calcutta at Rs. 5-5-9, and second-class kerosine, with the additional restrictions proposed, at Rs. 4-10-9, per 10 gallons. At these rates there appears to be no fear of the proposed legislation injuriously affecting the import of kerosine oil, if equally applied to all parts of India.

8. I am also to draw attention to the fact that the Committee ask for six months' notice of any change in the law, to enable those engaged in the trade to stop consignments of dangerous petroleum. The Lieutenant-Governor thinks that if a bill is introduced into the Imperial Council, and forwarded to other local Governments for opinion, it might be proposed in it to bring the enactment into force from the 1st July 1880, and not six months after it is finally passed. Such a provision will be a sufficient warning to importers to order no more consignments of dangerous petroleum, and at the same time will not unnecessarily postpone the intended legislation. His Honor cannot but feel anxious to see a law passed which will furnish better security to life and property, looking to the warning with which the Committee conclude their report that oil of the quality ascertained to have been imported both into Bombay and Calcutta during the last year must, in a climate like that of India, be a constant source of danger, while the quantities in which it is introduced are so large that, if

any accident did happen, it could hardly fail to be attended with most disastrous results.

9. In conclusion, the Lieutenant-Governor desires to record his cordial acknowledgments of the really valuable and excellent report which has been drawn up by the Committee.

I have the honor to be,
SIR,
Your most obedient Servant,
H. L. HARRISON,
*Offg. Secretary to the Government of Bengal.*

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*From the Petroleum Oil Committee to the Government of Bengal,—No.* 122JJ., *dated the* 17*th October* 1879.

With reference to the Government resolution in the Financial Department, dated the 21st July last, appointing us a Committee for the purpose of considering the question of the importation and storage of kerosine oil, we have the honor to submit the following report.

II. The resolution commences by observing that the question of regulating the transport and storage of inflammable oils, so as to combine practical security of life and valuable property with the minimum of restrictions on an important and rapidly developing trade, has for some time past engaged the anxious consideration of the Lieutenant-Governor. The Committee have therefore, in making the proposals hereafter to be enumerated, been guided by a desire to secure the importation of oil of such a class as will not only be safe for all practical purposes,

but will require in its storage so few restrictions as to leave the trade in it as free and untrammelled as possible.

III. There can be no doubt that the subject was one that imperatively demanded the interference of Government. In January last the Government of Bombay brought to the notice of the Government of India the dangerous character of kerosine oil recently imported into that city, which flashed at so low a temperature as 83°F. Enquiries made in Calcutta through the Commissioner of Police elicited the fact that in March last a large quantity of this oil flashing at 93°F. had been stored in Howrah by a Calcutta firm, and that, about the same time, upwards of one million gallons of oil, all flashing below 100°F., and a very large proportion of it at 94°, and even at 92°F., had been imported by three other firms in this city.

IV. It is clear, too, that, notwithstanding the enquiries that were set on foot by order of Government at the early part of the present year in consequence of the facts which had come to its knowledge, no improvement in the quality of the oil imported has as yet taken place. For their own satisfaction, the Committee have thought it advisable to have several samples of the oil now procurable in the bazar tested, in order to be certain of the quality of that which was being daily and hourly sold for domestic use. The experiments were personally made by Mr. Pedler, a member of the Committee. Eleven samples of kerosine oil, purchased from different European and native firms in Calcutta, were submitted to a careful testing, with the result that nine of them flashed between 85° and 90°F.,

only two coming up to the standard, which, according to Act III. (B.C.) of 1865, would remove them from the category of the inflammable oil.

V. With oil of so low a class freely procurable, it is perhaps remarkable that so few accidents have been reported. Indeed, so far as the Committee are aware, these appear to have been confined to those reported by the Commissioner of the Presidency Division as having occurred in Moorshedabad, and to the very serious explosion which happened in the river, in two cargo-boats conveying kerosine oil from Nemuck Mehal Ghât through the port to godowns near the Chitpore Canal;—*vide* paragraphs 3 and 4 of the Government Resolution. The Committee are, however, of opinion that this remarkable immunity from reported accidents can by no means be accepted as a criterion of the safety of the oil in common use. It is believed that a very considerable number of minor accidents have occurred in private houses, which have never been brought to public notice. But whether this is so or not, there cannot be the smallest doubt that oil of the kind now commonly sold in Calcutta is of a most dangerous description, and that it is essential in the interests of the public safety that such restrictions should be placed on its importation and storage as will practically debar it from finding its way into the market at all.

VI. It has already been found necessary both in England and America, in order to secure the safety of the public, that very stringent restrictions should be imposed on the importation and sale of low class petroleum. In England by the Petroleum Act 34 and

35 Vict., Ch. 105, oil giving off an inflammable vapour at a temperature of less than 100°F., is subjected to the following restrictions. Oil of this description can only be stored or conveyed from place to place in vessels labelled "highly inflammable," and must be kept in licensed warehouses, except under the following conditions, *viz.*: (1) that it is kept in separate glass, earthenware, or metal vessels, each of which contains not more than a pint, and is securely stopped; (2) that the aggregate amount kept, supposing the whole contents of the vessels to be in bulk, does not exceed three gallons.

VII. Moreover, since this Act was passed, the question as to whether a flash point of 100°F. was sufficiently high, even in England, has been raised. Writing in July 1876 to Professor Abel, Mr. Under-Secretary Liddell remarks as follows:—"Assuming it to be in your opinion desirable to obtain flashing test for petroleum, whether the present 'flashing point' of 100°F., (or its equivalent under any modified method of testing which you may propose), is, in your judgment, calculated to afford adequate protection to the public, without unduly interfering with or restricting the trade; if not, what alteration in this respect should be made." It is true that in his reply Professor Abel said that there were not, in his judgment, any well-established grounds for considering that that flashing point was not calculated to afford adequate protection to the public. It appears, however, that the Metropolitan Board of Works are of opinion that the present legal flash-point is not sufficiently high to insure freedom from accident, so that there is certainly a diversity of opinion on the subject.

VIII. In America it seems that the present United States standard is 110° "fire test," equivalent to about 92° of the English Parliamentary standard. This, however, is evidently considered too low. In Boston an attempt has recently been made to raise the standard, some persons insisting that it should be made as high as 135° fire test. Professor Chandler, President of the Board of Health in that city, asserts, according to the *Scientific American* of the 12th April last, "that standard of 136° should be adopted everywhere, in which case there would be an end of kerosine explosions, provided of course that the law be rigidly enforced." In the state of Michigan all oils are forbidden which flash at 140° or below, an extraordinarily high standard for America, and one which, as will presently appear, considerably exceeds that which the Committee propose should be adopted in this country.

IX. From what has been said above, it will be seen that by far the larger quantity of the oil imported into India during the present year is of a quality so low as not come up to a standard the sufficiency of which to secure practical safety, even in a country like England, has been called in question. The greater portion of this oil would, if it had been imported into England, have been subject to the restrictions, as regards storage and sale, mentioned in paragraph VI; while the sale of the same oil would have been absolutely prohibited in one of the most northern of the American States.

X. Further comment on this portion of the subject appears to be superfluous. If it has been found necessary in countries like England and America to subject

the trade in petroleum to the restrictions above enumerated, *à fortiori*, it should not be left practically unchecked in a country like India, the climate of which renders the use of this oil so much more dangerous than is the case in colder climates.

XI. While, however, it is absolutely necessary, in the Committee's opinion, to make the trade in petroleum the subject of special legislation, it is equally necessary that the restrictions imposed by law should, while providing adequately for the public safety, not be so stringent as to check the development of a rising and most useful trade. The Committee have endeavoured throughout their deliberations to keep the paramount importance of this constantly in view, and it is hoped that the recommendations which they now proceed to make will be found to have sufficiently attained both objects.

## RECOMMENDATIONS.

1. It is recommended that any legislation which may be based on the following conclusions should be Imperial, and not confined to the Province of Bengal, and that a period of six months, say, from the 1st of January 1880, shall elapse before any change in the law shall take effect.

2. That the term "inflammable oils" used in Bengal, Act III., 1865, being open to objection, the term "petroleum" shall be substituted for it for the purposes of legislation.

3. The term "petroleum" includes the liquids commonly known by the names rock oil, petroleum, kerosine, paraffine oil, mineral oil, petroline, gasoline, benzol, benzoline, benzine, and any inflammable liquid that is made from

petroleum, coal, schist, shale, peat, or other bituminous substance.

That nothing contained in the above definition shall refer to or include any oil used exclusively for lubricating purposes, having a flashing point of 250°F. and upwards.

4. The flashing point of petroleum means the temperature in degrees Fahrenheit at which the petroleum yields sufficient vapour to furnish a momentary flash or flame, when tested with the apparatus and in the manner described in Schedule A.

5. The test to be employed in determining the flashing point of petroleum shall be that known as Abel's close test. The apparatus to be employed shall be exactly similar in all respects to a standard apparatus, which shall be deposited with a responsible officer of Government, (either the Master of the Mint or the Surveyor-General), who shall be answerable for its safe custody. This officer should inspect and test, or should have inspected and tested, all apparatus made for use under this Act, for the purpose of ascertaining that they are in accordance with the standard apparatus and specification. Such apparatus should then bear some official stamp or mark by which they can be identified as legal apparatus.

The specification explanatory of the construction of the standard test apparatus and the directions for applying the flashing test are appended in Schedule A.

6. For the purposes of this Act, petroleum may be divided into three classes :—

(a) First-class petroleum flashing at or above 103°F. by Abel's test, equivalent to 130°F. by the present Parliamentary test.

(*b*) Second-class petroleum flashing at or above 83°F., but below 103°F. by Abel's test, equivalent to 110°F. and 130°F. by the present Parliamentary test.

(*c*) Third-class petroleum flashing below 83°F. by Abel's test, equivalent to 110°F. by the present Parliamentary test.

The term "dangerous petroleum" shall mean any petroleum as defined in paragraph 3, the flashing point of which is below 83°F. by Abel's test.

7. That all tins, drums, cases, or other receptacles, containing petroleum shall be indelibly stamped or marked in such a manner as to indicate clearly the quality of the petroleum they contain. Such marks as 1st class, 2nd class, and dangerous petroleum, are recommended in preference to others.

8. That such severe restrictions should be put on the importation of "dangerous petroleum" as will entirely prevent its sale for burning in lamps; and that the following clauses be recommended for this purpose.

9. After a certain date, it shall not be lawful to land in India from any ship a quantity exceeding 40 gallons of "dangerous petroleum," without special permission previously obtained from the local Government.

10. After a certain date, it shall not be lawful to keep in any place, or to carry on any public road, a larger quantity than 40 gallons of "dangerous petroleum," without special permission from the local Government.

An application to the local Government for permission to import, store, and carry "dangerous petroleum" must

state the purpose for which such petroleum is required, and must show that petroleum of higher flashing-point would not be applicable for such purpose. On receipt of such application, the local Government may grant permission to land, store, or carry "dangerous petroleum" for the purpose indicated, subject to any restrictions and regulations that it may deem advisable.

11. Clauses VI, XII, as altered below,* and XIII, XIV, XV, of Bengal Act III. 1865, substituting in them the words "dangerous petroleum" for "inflammable oils," will supply the means for enforcing clauses 9 and 10 above.

12. That the Committee consider it desirable that each local Government should make special rules for testing cargoes of petroleum, and for regulating ships bringing first and second-class petroleum into port, and they recommend the following clauses 13, 14, 15, 16, 17, 18, 19, 20, and 21 to be embodied in the rules for the port of Calcutta.

13. The master of every ship carrying first and second-class petroleum shall inform the Pilot and Harbour Master

* VI.—Any "dangerous petroleum" placed or kept in a manner contrary to the above provisions may, together with the receptable containing such oil, be seized by any police officer under a search warrant as hereinafter mentioned.

XII.—A Magistrate may, on information laid before him on oath or solemn affirmation, and reduced into writing, issue his warrant, authorising a police officer to search, in the day-time, any building or place, vessel, boat or vehicle, in which he has reasonable ground to suspect that any dangerous petroleum is placed, kept, or carried, or any person suspected of carrying the same contrary to the above provisions; and that all dangerous petroleum found on such search shall, together with the vessels or receptacles in which it may be stored or carried, be immediately seized and kept pending the judgment of such Magistrate. Such warrant shall be executed and have effect within the town of Calcutta under Act IV. (B. C.) of 1866, and elsewhere under the Code of Criminal Procedure.

on board. In the event of his producing a certificate, duly verified at the port of shipment, that the oil is first-class petroleum, *i.e.*, that its flashing-point is not below 103°F., and makes a declaration in writing that the quantity of oil carried does not exceed 15,000 gallons, the vessel may be brought into port and the oil landed without further restrictions than the Port Commissioners may think it necessary to impose. If the quantity carried exceeds 15,000 gallons, permission to enter the port shall be obtained from the Port Commissioners, who shall make such special arrangements for its landing as they think fit. Pending receipt of such permission, the ship shall not proceed above Metiabrooj.

14. The officer whom Government may appoint shall procure a sample of the oil which shall be forthwith forwarded to the Chemical Examiner, the receptacle containing it being labelled with the name of the ship and the name of the consignee, and the oil shall not be discharged without a certificate signed by the Chemical Examiner.

15. Within 24 hours of the cargo being landed, the consignee shall give notice to the Chemical Examiner of the oil having been warehoused, and of its being ready for examination.

16. On receiving such notice, the Chemical Examiner shall proceed, with as little delay as possible, to make such examination of the oil as may be necessary, to show that it agrees with the sample which he shall previously have tested.

17. Penalties should be prescribed for giving samples not corresponding with the cargo, and for failure to give

notice to the Chemical Examiner, within the stipulated time, of a cargo having been warehoused.

18. When the total quantity of second-class petroleum in any ship does not exceed 40 gallons, it may be brought into port and landed, subject to the Port Rules now in force.

19. When the total quantity of second-class petroleum in any ship exceeds 40 gallons, it must be landed at some place or places not below Metiabrooj for the port of Calcutta, and at such places as the authorities empowered in that behalf for other ports shall determine.

20. The rules for the testing of first-class petroleum shall also apply to the testing of second-class petroleum.

21. Petroleum so landed, if not removed within a reasonable time, shall be there stored in warehouses specially constructed or adapted for this purpose.

Special arrangements should be made at such selected place, so that leaky tins, cases, drums, &c., may be repaired in safety.

22. The Committee are also of opinion that it is not advisable to allow petroleum of any description to be stored in larger quantity than 500 gallons in unlicensed premises; and the following clauses are recommended for regulating storage.

23. Any building or place in which petroleum is stored in larger quantity than 500 gallons must be licensed for the purpose by the authority empowered to give licenses by the local Government, subject to the provisions regarding "dangerous petroleum" in paragraph 10.

24. The local Governments may pass such rules as they deem necessary for the grant of licenses in accordance with paragraph 23.

25. The Committee recommend the following rules (paragraphs 26 to 41) for adoption in Calcutta under clause 24.

26. The Commissioner of Police of Calcutta should be appointed to be the officer for licensing warehouses under section—Act—within the town of Calcutta.

27. Every application for the licenses of any warehouse to be used for the storage of petroleum, shall specify the locality in which the warehouse is situated, and the description of the warehouse.

28. The licensing officer shall cause the locality to be visited, and the warehouse inspected by a competent person, and, if satisfied with the report of such person, shall grant a license subject to the following conditions:—

29. Every such warehouse shall be constructed of masonry, with terraced or iron roofs, and with tiled, paved, or earthen floors.

30. Every warehouse for the storage of petroleum must either have all doorways and openings built up to a height of not less than two feet above the level of the road or street, or the floor must be at least two feet below the surface of the road or street, in order to prevent the petroleum flowing out of the warehouse in case of fire.

31. No goods of an explosive or specially dangerous nature, as specified in Schedule B, shall be stored in such warehouse while it contains petroleum.

32. No cask or other receptacle containing petroleum shall be opened, or the petroleum drawn off, within such warehouse.

33. No cask or other receptacle containing petroleum shall be repaired while it is deposited or stored within such warehouse.

34. No lighted candle, lamp, or fire in any form, shall be permitted at any time within such warehouse.

35. The licensing officer, or any officer deputed by him, shall be allowed to enter all such warehouses for the purpose of inspection, between sunrise and sunset.

36. The owner, agent, or other person in charge of any such warehouse shall, on demand in writing made by any properly authorized officer, deliver to him a sample of any petroleum stored or kept therein for analysis or examination, and if such sample be refused, the officer may, subject to the provisions in paragraph 32, open any case or cases, and draw off or take away such sample from any case or cases, tin, drum, or other receptacle in which petroleum may be kept.

37. The licensing officer may call on the holder of the license of any such warehouse to execute any repairs that may be necessary for its safety, and if, within one week of the receipt of such notice, the said holder does not commence, and with due diligence complete, such repairs, the license may be cancelled.

38. Each license shall specify the maximum quantity of petroleum which may be stored in the warehouse to which it refers.

39. Each license, so granted, shall be in force for any time not exceeding one year. Provided that the licensing officer may, at any time on good and sufficient reason, cancel such license, and may require the licensee to remove the petroleum to some other licensed warehouse.

40. A fee of Rs. 16 shall be paid for every license granted under section—Act—for the storage of petroleum.

41. No petroleum shall be removed from one place to another before sunrise or after sunset.

XII. The Committee now proceed to notice such of the foregoing recommendations as seem to require further comment or explanation.

XIII. *Paragraph* 1 *of the recommendations.*—It is hardly necessary for the Committee to point out the absolute necessity of any measure which the Legislature may introduce being Imperial. To impose on Bengal alone, for example, any restriction on the trade in petroleum not enforced in the other Presidencies would be to divert the trade of the former to the latter. The Committee have proposed that at least six months' notice of any change in the law should be given to those engaged in the petroleum oil trade, in order that they may have ample time to stop consignments of oil which would be classed as "dangerous petroleum."

XIV. *Paragraphs* 2 *and* 3.—The Committee have suggested the substitution of the word "petroleum" for the term "inflammable oils" as used in Act III. (B.C.) of 1865, as it appears from an opinion given by the Advocate-General, in 1877, that all kerosine oil, irrespective of its

flashing point, comes within the definition of the latter term. The Committee's object being practically to prohibit the importation of a low class oil, and to encourge and facilitate that of a higher class, the use of the term "inflammable oil" which, as it stands, is equally applicable to all oil, whether good or bad, appears open to serious objection. In selecting the term "petroleum," the Committee have followed the English Petroleum Act now in force, the definition adopted being practically the same as in that Act. It may be noticed that this definition is not intended to include such substances as turpentine, spirits of wine, spirits, wines, ether, caoutcheucine, and wood naptha, which are all products of the vegetable kingdom.

XV. *Paragraphs* 4 *and* 5.—The Committee have ascertained that the method of testing the flashing point of petroleum, as described in the English Act of Parliament, has been universally condemned as yielding results not thoroughly trustworthy. It has been found that experiments made even by skilful operators will frequently differ in the results obtained. A slight and unintentional variation in the conditions of the experiment will often cause a difference in the flashing point of several degrees, whilst, in the hands of an interested or unscrupulous operator, almost any result that it is desired to obtain can be produced, without deviating from the instructions for the application of the test given in the Act.

XVI. The difficulty in obtaining reliable results by the old or "open" test has been found so great, that the Secretary of State in the Home Department in 1876 appointed Professor Abel, F.R.S., to investigate the whole subject of petroleum testing. The outcome of this

investigation has been the invention by the Professor of an improved apparatus known as the *close test*, which is so nearly automatic in its action that it is almost impossible to obtain varying results, no matter by whom the experiment is conducted. The Committee may further remark that, in order to satisfy themselves of the applicability of this mode of testing to an Indian climate, they had an apparatus constructed according to Professor Abel's specification. This has been used by two of their number, Messrs. Wood and Pedler, on several occasions, and with the most satisfactory results. It appears certain that this method of testing will be introduced into the next English Act of Parliament on the subject. It seems desirable, therefore, that the system of testing in the two countries should be uniform.

XVII. *Paragraph* 6.—It will be noticed that, in the classification here suggested, there is a difference in the flashing point of 27°F. between Professor Abel's close test, and the present Parliamentary or open test. This difference, the Committee think it right to observe, has been obtained by the result of considerably more than a thousand experiments in England, conducted by such experienced operators as Professor Abel and Mr. Redwood, the Chemist to the Petroleum Association. These results have been accepted not only on behalf of the Government but by the representatives of all the principal petroleum associations in Great Britain and America, as well as by all the principal refiners in the latter country. The Committee believe, too, that they may say that the firms interested in the trade in Calcutta are in favour of the adoption of Abel's test, and that they are also pre-

pared to accept the difference between this and the open Parliamentry test as represented by 27° F.

XVIII. Before passing on, it may be well that the Committee should, as briefly as possible, explain their reasons for recommending a three-fold classification of petroleum. As has been above stated, the object at which the Committee have aimed is the virtual exclusion from the market of an oil of so low a class as to be imminently dangerous, and at the same time to encourage, by every possible means, the importation of an oil that, for all practical purposes, may be regarded as safe. In this view, the Committee would have been glad had they seen their way to recommend that, unless under exceptional circumstances, no oil the flash point of which was below 103°F. should be imported at all. It has, however, been represented to them by those most largely interested in the trade, that to do so would be to raise considerably the cost of the oil, and thus to impose a heavy tax on the poorer consumers of it. This, at a time when most of the necessaries of life are at almost famine prices, it is most desirable to avoid.

XIX. The Committee consider that, judging from past experience of the quality in common use, an oil with a flash point between 83° and 103°, must be regarded as at all events fairly safe. As the law now stands, oil is not required to have a flash point above 73° by the close test, which is equivalent to 100° by the open test ; and between this and the lowest flashing point of oil for general use, which the Committee have placed in the second-class, there is a difference of ten degrees. As regards third class oil or "dangerous petroleum," the flash point of

which is below 83°, the Committee are of opinion that the restrictions imposed on its importation in paragraphs 9 and 10 are so stringent as absolutely to prohibit its use in lamps. To prevent, however, hardship from arising in special cases, a clause has been introduced into paragraph 10, which will admit of its being used for particular purposes and upon certain conditions.

XX. *Paragraph* 7.—Much importance is attached by the Committee to the suggestion here made. They consider that, in the interests of the public, it is most desirable that all receptacles holding oil should have clearly and indelibly marked upon them the description of oil they contain. Such an arrangement, while it will enable the purchaser to know what he is buying, will also, it may be hoped, act as an inducement to the trade to import only the higher class oil. One of the results of the present inquiry will probably be the discovery by the public of the extreme danger attendant on the use of such inferior oil as has of late been imported. Should this be so, the Committee can hardly doubt that no one will be content with anything but first-class oil, more particularly as he will be able to obtain it at only a slight increase on the present price. This subject the Committee will revert to in a subsequent paragraph.

XXI. *Paragraphs* 13 to 21.—For reasons above given the suggestions here made are all as much as possible in favour of first-class oil. Increased facility for the importation and storage of this quality, merely with the view of enabling it to compete on advantageous terms with oil of a lower quality, is not, however, the only object the Committee have in view. It is, they consider, a

matter of the greatest possible importance that only oil of the highest class, (with the exception of second-class oil in the quantity above mentioned, *viz.*, 40 gallons), should be allowed to enter the port, and an unlimited quantity of even first-class oil should not be allowed to do so, unless the Port Commissioners are in a position to make special arrangements for its speedy landing. Oil, however, of this class, as has been stated above, must be regarded as to all intents and purposes safe, and the Committee would therefore place no restriction on the quantity mentioned in recommendation 13 being brought into port, except such as the Port Commissioners consider it necessary to impose.

XXII. Paragraph 18 has been strongly objected to by the trade upon the following grounds :—*First*, that it stops exports to coast ports or by river steamers of oil below 103°F. ; *second*, that it stops imports by vessels carrying small consignments of oil below 103° along with their other cargo ; *third*, that it would detain vessels at Metiabrooj for their cargoes to be tested ; *fourth*, that it practically prohibits masters of vessels from using kerosine oil flashing below 103°F.

XXIII. So far as the Committee can see, there is nothing whatever in this paragraph which would operate as any greater restriction on exporting to local ports, or on shipping by inland steamers, oil of this description, than the Port rules now in force. Under these rules, no ship having on board more than 40 gallons of any inflammable oil can be moved above Metiabrooj, unless a certificate, duly attested at the port of shipment is produced, stating that the oil is not inflammable. All oil in excess of the above

quantity has now to be landed between sunrise and sunset in covered cargo-boats at Neemuck Mehal Ghât. The Committee propose that this rule should still be enforced as regards second-class petroleum. So far, then, from the present recommendations occasioning, as it is stated they will, great hardships and a very marked check on the export trade, they do exactly the reverse. For, while the present Port rules will remain in force as regards second-class oil, first-class oil, up to a quantity of 15,000 gallons, can be brought into port, shipped or transhipped without any further restriction than the Port Commissioners may choose to impose, such as, for example, its being conveyed only in covered boats, &c.

XXIV. With regard to the second objection, the Committee are prepared to admit that ships would experience a certain amount of inconvenience. The objection, however, is one without much force. An inward-bound vessel has now to stop at Moyapore to discharge its gunpowder, and no complaint of any special inconvenience being caused by this arrangement has, so far as the Committee are aware, ever been made, and they cannot see why there should be any greater inconvenience caused by a ship having to discharge at Metiabrooj, such portion of her cargo as consists of second-class petroleum. In all arrangements of this kind a certain amount of inconvenience is inevitable, but it is satisfactory to know that the importers have an exceedingly simple remedy at their command.

As to the third objection, under any circumstances some arrangements must be made for testing cargoes of this

description ; and any such detention will be reduced to a minimum by the adoption of the rules suggested in paragraphs 7 and 13.

XXV. As regards the fourth objection, the Committee have only to remark that they much doubt whether low-class petroleum is ever carried for use by sea-going vessels at all. But they feel no doubt whatever that, if this is done, the sooner the practice is stopped the better it will be for the safety of the vessels.

XXVI. It has already been noticed that recommendations 13 to 21 would give certain facilities for importation of first-class over second-class oil. The Committee would now desire to notice the comparative cost of the two classes of oil, and the effect which the proposed regulations would have on the value of the oil as landed in Calcutta.

For information on this subject the Committee are indebted to one of their members, Mr. J. N. Stuart, who states that, at the end of June of this year, the cost of American oil flashing at 83°F., or second-class oil, when landed in Calcutta would be Rs. 4-8-9 per case of 10 gallons. The cost of first-class oil flashing at 103°F., and landed in Calcutta, under the same regulations as second-class oil, would be Rs. 5-5-9. There will, therefore, be an advantage on the side of second-class oil of 13 annas per case of 10 gallons.

XXVII. The Committee are also informed that the restrictions proposed to be placed on second-class oil are such as may put importers to an expense of about two annas per case more than importers of first-class oil. It will therefore be seen that the difference between the cost

of the two classes when landed in Calcutta will be reduced to 11 annas per case of 10 gallons, or, say, first-class oil will cost one anna more per gallon to the importers than second-class oil. The Committee consider this an important fact, as showing that a really safe oil is practically within the reach of all classes. For allowing the importers a profit of 100 per cent., first-class petroleum would still be very considerably cheaper than any oil ordinarily used for burning in this country.

XXVIII. *Paragraph* 21.—The Committee would suggest that, at the place selected for the landing of second-class oil, there should be provided special accommodation for its storage, unless the oil is at once removed to the importer's licensed godowns. It appears highly probable that this arrangement might be a very convenient one for importers, who might make this place their main depôt for second-class oil, from which it could afterwards be removed as required.

XXIX. If this should be the case, large quantities of petroleum might have to be stored in one building, and it is obvious that, to provide for this, the warehouses used must be constructed in such a manner as to reduce the risk of any conflagration to a minimum. It would be advisable to provide that such warehouses should be licensed, and open to inspection by competent authorities, and that either the floors should be sunk below the level of the surrounding ground, or that all doors and openings should be built up to a certain height above the ground. It has also been suggested that warehouses in which very large quantities of petroleum are to be stored should be surrounded by an earthen embankment. Either of

these plans would prevent the petroleum from flowing out in case of fire, and would therefore localize any conflagration that might happen.

XXX. Until, however, it is ascertained whether large quantities of second-class petroleum are likely to be imported, notwithstanding the restrictions imposed, the Committee are unable to make any more definite proposals with regard to the storing of oil of this quality. They have, however, no doubt that, should the necessity arise, the Port Commissioners would be prepared to provide suitable storage accommodation, charging reasonable warehouse fees.

XXXI. The Committee have considered it desirable to suggest that arrangements should be made (either by the importers themselves or otherwise) at the selected place, for the safe repair of all vessels containing petroleum. The carriage of leaky receptacles through public thoroughfares might in itself be a source of danger, even if the nuisance to the public be left out of consideration.

XXXII. *Paragraph* 22.—In this clause the Committee have felt compelled to state that it is not, in their opinion, advisable that petroleum of any kind should be stored in unlicensed warehouses in quantities larger than 500 gallons. They have had in view the fact that the majority of small dealers in the bazars do not require to keep any very large stock of petroleum, and they do not think it would be prudent that a larger volume than 500 gallons should be placed in huts or other places which are generally constructed of inflammable materials. Moreover, small dealers are not only ignorant of the

nature of the oil they deal in, but are in very many instances extremely careless in the use of fire in various forms.

XXXIII. Further, the Committee do not consider it advisable to exempt even first-class oil from Regulation 22, for they are of opinion that if any dealer finds it necessary to keep a larger stock than 500 gallons, he should be compelled to provide a safe warehouse for his goods. Again, the Committee think that to exempt first-class petroleum from all restrictions, after its landing in the country, would be to offer a premium to dishonest dealers to pass off second-class oil in cases or tins marked "first-class," and thus to evade the necessity of procuring a license and of submitting to inspection.

XXXIV. *Paragraphs* 26 to 41.—The Committee would remark, with regard to these clauses, that they are founded to some extent on the present rules, which have been in force in Calcutta for a considerable period. The stringency of the old rules has, however, been relaxed considerably as, if the recommendations of the Committee are adopted, the quality of the petroleum imported will be so much higher that the modified rules, now proposed, will be quite sufficient to provide for the safety of the public.

XXXV. Whilst on the subject of these rules, the Committee may refer to the letter from Government No. 630, dated 28th July, regarding a question raised by the Commissioner of Burdwan, as to whether Rule 3 of the rules passed under Act III. (B. C.) of 1865, is not opposed to the provisions of Section 5 of the Act. As the Committee now recommend that fresh legislation on the

subject is advisable, and that the old rules shall be replaced by those above given, it appears hardly necessary to enter into the question raised in this letter.

XXXVI. In submitting their present report, the Committee desire to observe that one of their members has proceeded to England, owing to his retirement from the Government service. Mr. Wood has, however, kindly promised to institute enquiries with regard to the present position of the petroleum question in England, and should there be any new facts with which the Committee are unacquainted, he will take an early opportunity of bringing these to their notice. In the event, therefore, of anything coming to the Committee's knowledge necessitating or rendering advisable any change in the recommendations now made, the Committee will submit a supplementary report hereafter.

XXXVII. Finally, the Committee would suggest that, if the Government accepts Abel's apparatus as the test for petroleum, it would be desirable to obtain a standard apparatus from Professor Abel, the Chemist to the War Department, Woolwich Arsenal. This apparatus should be certified by the inventor, and should be the standard referred to in paragraph 5.

XXXVIII. On a subject in which so many difficult questions arise, and in which so many various interests are involved, the Committee can hardly hope that their report will be found to be complete and exhaustive. They trust, however, that the information and suggestions embodied in it will enable Government to deal adequately with a question that is every year becoming more and

more important. That speedy legislation is not only advisable but urgently needed is, the Committee think, sufficiently proved by the quality of the oil ascertained to have been imported both into Bombay and Calcutta during the last year. Oil of this kind must, in a climate like that of India, be a constant source of danger, while the quantities in which it is introduced are so large that if any accident did happen it could hardly fail to be attended with most disastrous results.

We have the honor to be,
SIR,
Your most obedient Servants,

F. B. PEACOCK, *President.*
J. D. MACLEAN,
W. M. SOUTTAR,
A. PEDLER,
J. LAMBERT,
J. N. STUART, } *Members.*
W. D. BRUCE,
C. J. BROOKES,
R. C. STERNDALE,

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## APPENDIX.

### SCHEDULE A.

*Directions for applying the Flashing Test.*

1. The test apparatus should be placed for use in a position where it is not exposed to currents of air or draughts.

2. The heating vessel or water-bath is filled by pouring water into the funnel until it begins to flow out at

the spout of the vessel. The temperature of the water at the commencement of the test is to be 130° Fahrenheit, and this is attained in the first instance either by mixing hot and cold water in the bath, or in a vessel from which the bath is filled, until the thermometer, which is provided for testing the temperature of the water, gives the proper indication; or by heating the water with the spirit lamp (which is attached to the stand of the apparatus) until the required temperature is indicated.

If the water has been heated too highly, it is easily reduced to 130° by pouring in cold water, little by little (to replace a portion of the warm water), until the thermometer gives the proper reading.

When a test has been completed, this water-bath is again raised to 130° by placing the lamp underneath, and the result is readily obtained while the petroleum cup is being emptied, cooled, and re-filled with a fresh sample to be tested. The lamp is then turned on its swivel from under the apparatus, and the next test is proceeded with.

3. The test-lamp is prepared for use by fitting it with a piece of flat plaited candle wick,* and filling it with colza or rape oil up to the lower edge of the opening of the spout or wick tube. The lamp is trimmed so that when lighted it gives a flame of about 0·15 of an inch diameter, and this size of flame is readily maintained by simple manipulation from time to time with a small wire trimmer.

* The description of wick known as Field's night light candle wick has been found most suitable.

When gas is available it may be conveniently used in place of the little oil-lamp, and for this purpose a test-flame arrangement for use with gas has been devised, which may be substituted for the lamp.

4. The bath having been raised to the proper temperature, the oil to be tested is introduced into the petroleum cup, being poured in slowly until the level of the liquid just reaches the point of the gauge which is fixed in the cup. In warm weather the temperature of the room, in which the samples to be tested have been kept, should be observed in the first instance, and if it exceeds 65° the sample to be tested should be cooled down (to about 60°) by immersing the cup containing the oil in cold water, or by any other convenient method. The lid of the cup, with the slide closed, is then put on, and the cup is placed into the bath or heating vessel. The thermometer in the lid of the cup has been adjusted so as to have its bulb just immersed in the liquid, and its position is not under any circumstances to be altered. When the cup has been placed in the proper position, the scale of the thermometer faces the operator.

5. The test-lamp is then placed in position upon the lid of the cup, the lead line or pendulum,* which has been fixed in a convenient position in front of the operator, is set in motion, and the rise of the thermometer in the petroleum cup is watched. When the temperature has reached about 66° the operation of testing is to be commenced, the test-flame being applied

* This pendulum is two (2) feet in length.

once for every rise of one degree, in the following manner :—

The slide is slowly drawn open while the pendulum performs three oscillations, and is closed during the fourth oscillation.

NOTE.—If it is desired to employ the test apparatus to determine the flashing points of oils of very low volatility, the mode of proceeding is to be modified as follows :—

The air chamber which surrounds the cup is filled with cold water to a depth of 1½ inches, and the heating vessel or water-bath is filled as usual, but also with cold water. The lamp is then placed under the apparatus, and kept there during the entire operation. If a very heavy oil is being dealt with, the operation may be commenced with water previously heated to 120°, instead of with cold water.

*Specification explanatory of the Test Apparatus.*

The following is a description of the details of the apparatus :—

The oil cup consists of a cylindrical vessel 2″ diameter, $2\frac{2}{10}$″ height (internal), with outward projecting rim $\frac{5}{10}$″ wide, $\frac{3}{8}$″ from the top and $1\frac{7}{8}$″ from the bottom of the cup. It is made of gun-metal or brass (17 B. W. G.), tinned inside. A bracket, consisting of a short stout piece of wire, bent upwards, and terminating in a point, is fixed to the inside of the cup to serve as a gauge. The distance of the point from the bottom of the cup is 1½″. The cup is provided with a close-fitting overlapping cover made of brass (22 B. W. G.), which carries the thermometer and test-lamp. The latter is

suspended from two supports above the slide by means of trunnions, upon which it may be made to oscillate. The socket which is to hold the thermometer is fixed at such an angle, and its length is so adjusted, that the bulb of the thermometer, when inserted to its full depth, shall be $1\frac{1}{2}$" below the centre of the lid.

The cover is provided with three square holes, one in the centre $\frac{5}{10}$" by $\frac{3}{10}$", and two smaller ones $\frac{3}{10}$" by $\frac{2}{10}$" close to the sides and opposite each other. These three holes may be closed and uncovered by means of a slide moving in grooves, and having perforations corresponding to those on the lid.

In moving the slide so as to uncover the holes, the oscillating lamp is caught by a pin fixed in the slide, and tilted in such a way as to bring the end of the spout just below the surface of the lid. Upon the slide being pushed back so as to cover the holes, the lamp returns to its original position.

The upper edge of the orifice of the spout should be in a line with the top of the slide, and $\frac{5}{16}$" distant from the further side of the central hole. The diameter of the mouth of the lamp is $\frac{1}{16}$."

The bath or heating vessel consists of two flat-bottomed copper cylinders (24 B. W. G.), and inner one of 3" diameter and $2\frac{1}{2}$" height, and an outer one of $5\frac{1}{4}$" diameter and $5\frac{3}{4}$" height; they are soldered to a circular copper plate (20 B. W. G.), perforated in a centre, which forms the top of the bath, in such a manner as to inclose the space between the two cylinders, but leaving access to the inner cylinder. The top of the bath projects both

outwards and inwards about $\frac{3}{8}$", that is, its diameter is about $\frac{6}{8}$" greater than that of the body of the bath, while the diameter of the circular opening in the centre is about the same amount less than that of the inner copper cylinder. To the inner projection of the top is fastened, by 6 small screws, a flat ring of ebonite, the screws being sunk below the surface of the ebonite to avoid metallic contact between the bath and the oil cup. A split socket similar to that on the cover of the oil cup, but set at right angle, allows a thermometer to be inserted into the space between the two cylinders. The bath is further provided with a funnel, an overflow pipe, and two loop handles.

The bath rests upon a cast iron tripod stand, to the ring of which is attached a copper cylinder or jacket (24 B. W. G.), flanged at the top, and of such dimensions that the bath, while firmly resting on the iron ring, just touches with its projecting top the inward-turned flange. The diameter of this outer jacket is $6\frac{1}{2}$". One of the three legs of the stand serves as support for the spirit lamp, attached to it by means of a small swing bracket. The distance of the wick-holder from the bottom of the bath is 1".

Two thermometers are provided with the apparatus,—the one for ascertaining the temperature, the other for determining the flashing point. The thermometer for ascertaining the temperature of the water-bath has a long bulb and air space at the top. Its range is from about 90° to 190° Fahrenheit. The scale (in degrees of Fahrenheit) is marked on an ivory back fastened to the tube in the usual way, it is fitted with a metal collar

fitting the socket, and the part of the tube below the scale should have a length of about $3\frac{1}{2}$" measured from the lower end of the scale to the end of the bulb. The thermometer for ascertaining the temperature of the oil is fitted with collar and ivory scale in a similar manner to the one described. It has a round bulb, an air space at the top, and ranges from about 55° F. to 150°F.; it measures from end of ivory back to bulb $2\frac{1}{4}$".

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SCHEDULE B.

*Substances which may not be stored in warehouses which are licensed to contain petroleum in quantities exceeding* 500 *gallons.*

Any oil or other liquid, whether of mineral, vegetable, or other nature, which flashes at a temperature lower than 83° F.

Gunpowder, blasting powder, or any of their substitutes, such as white gunpowder, German gunpowder, pyronone, Schultz's wood gunpowder, &c., or any substances, manufactured from them.

Gun cotton and allied substances, and all materials manufactured from them.

Titro-glycerine, Dynamite, Litho-fracteur, or any material containing these substances.

Blasting fusees, detonators, cartridges, ammunition of all kinds, percussion caps, and all fulminating substances in general.

Lucifer matches, or matches of any kind.

Fireworks, signal lights, Holmes' signal lights, fog signals, &c., and all materials used in the preparation of such substances.

Concentrated acids, such as nitric, sulphuric, or hydrochloric acid.

Jute, cotton, or any other substance of a fibrous or other nature packed or stored in such a manner that spontaneous heating may take place.

Any other substances, which the local Government may, from time to time, decide to be of an explosive or specially dangerous nature.

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## EXTENSION OF TRADE IN INDIAN TEA TO THE AUSTRALIAN COLONIES.

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On this subject the Committee addressed a circular to members in January last, suggesting that the firms interested in the tea trade, and especially the tea-agency firms, should combine to form an Association for the special purpose of making a systematic attempt to introduce Indian teas into the Australian markets; and it is satisfactory to record that the energetic action of the Committee appointed to give effect to the views of those who are interested in the endeavour to extend the trade to the colonies has thus far been attended with much encouragement and promise of success.

*From Government of India to Chamber.*

*Calcutta, the 5th January* 1880

I have been desired to draw your attention to paragraph 90 of the *Review** of the trade of British India with other countries for 1878-79, on the subject of India opening up a trade in tea with Australia, and to enquire whether the Chamber of Commence would be pleased to make any suggestion or recommendation on the matter to Government.

* Copy enclosed.

Yours faithfully,
(Sd.) C. BERNARD.

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*Extract from the Review.*

90. Indian tea continues, on the whole, to prosper, although from time to time complaints are made of unremunerative prices. The quantity shipped increases yearly, and so does that which is consumed in the country.

The quality, too, is improving. During 1878-79, although prices in the London market at times ruled low, exchange and freights were both greatly in favour of exporters, and taken altogether the year was a good one. The comparative exports of the last five years are shown below :—

| | lbs. | R. |
|---|---|---|
| 1874-75 . . . | 21,137,087 | 1,93,74,292 |
| 1875-76 . . . | 24,361,599 | 2,16,64,168 |
| 1876-77 . . . | 27,784,124 | 2,60,74,251 |
| 1877-78 . . . | 33,459,075 | 3,04,45,713 |
| 1878-79 . . . | 34,432,573 | 3,13,84,235 |

It is to be regretted that persons interested in Indian tea depend exclusively upon the London market, against the fluctuations of which they have no remedy. I have before strongly urged that attempts should be made to win the Australian markets from the Chinese who have exclusive possession of it now. The opening of these new markets to the Indian tea trade signifies a possible outlet for at least fifteen million pounds of our tea, this being rather less than the quantity now annually taken from China,—a quantity which has a tendency to increase regularly with the increase in the population of the colony. The most feasible way of doing this is for a number of those interested to combine for the joint payment of the expenses of a trustworthy and thoroughly qualified agent to work the business until Indian teas become easily accessible to the Australian consumer, and the taste for them established. The expenditure incurred would soon be repaid. It is doubtful whether the Sydney exhibition, which seems to have been a badly managed concern where our products have been grossly neglected, will prove to have been of any use in this direction. But the Melbourne exhibition to be held next year promises to be more important, and advantage should be taken of the opportunity to send an agent to Australia, in anticipation, to open up business with tea dealers and to start a complete agency for the supply, wholesale and retail, of Indian teas, which ought to be exhibited and largely advertised during the progress of the exhibition. Something similiar might be done for the American market, which also is held by the Chinese, and where a large and increasing consumption may be looked for.

*From Chamber to Government of India.*

*Calcutta,* 19*th February* 1880.

With reference to your letter of 5th of last month, on the subject of opening up a trade in tea with Australia, the accompanying printed papers will advise you of the result of the movement initiated by the Committee of the Chamber of Commerce by their circular letter to members, dated the 29th ultimo, copy of which I also forward for your information.

*From Government of India to Chamber, No.* 132, *Calcutta, the* 27*th February* 1880.

I am directed to acknowledge your letter of the 19th instant and enclosures, and, in reply, to say that the Government of India have been in direct correspondence with the Secretary to the Committee appointed by the Syndicate for the extension of the trade in Indian tea with Australia.

2. A copy of the correspondence is enclosed for information.

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*Calcutta,* 14*th February* 1880.

We are instructed on behalf of the merchants, agents, and brokers interested in the extension of the trade in Indian tea, to thank you for your communication of 5th January on this subject addressed to the Secretary of the Chamber of Commerce.

On receipt of your letter above referred to, a meeting of those interested was called by the Secretary of the Chamber, and it was resolved that a Syndicate be formed for the promotion of the object in view.

A Committee appointed for the collection of subscriptions and the arrangement of details was instructed to place themselves in communication with Government with the view of ascertaining to what extent Government assistance might be relied on.

In accordance with these instructions, we have to inform you that it is proposed to send a professional expert in tea to the Melbourne Exhibition to be held in October next, who will be provided with an extensive assortment of samples, and instructed to display them in the most attractive manner. He will also be provided with numerous samples for distribution, arrange for a daily afternoon tea to visitors to the Exhibition, and generally to stimulate, as far as possible, an enquiry and demand for Indian Tea in the Colony. Consignments of tea will be sent for disposal among the trade at cheap rates, without reference to cost, the Syndicate being prepared to accept a considerable loss as long as the object in view is attained, *viz.*, the extension of the consumption of Indian tea by making it more generally known among the general body of consumers. At the same time he will collect information and statistics, having reference to tea, and send up samples for the guidance of those interested in the extension of the trade.

5. The service of the representative appointed can also be made available for assisting in the management of the Indian exhibits generally, and for the collection of such further information as the Government of India may desire with reference to the prospects of developing trade in other Indian products.

6. The Committee are of opinion that about Rupees 15,000 will be subscribed by the Syndicate towards the expenses of a representative, the purchase of teas and further expenses necessary for the effective carrying out of the programme sketched above, and they respectfully solicit the aid of the Government to the extent of at least Rupees 10,000, making a total of Rupees 25,000, which amount they think will be sufficient to meet all requirements.

We have the honor to be,

SIR,

Your obedient Servants,

(Sd.) WILLIAM MORAN & Co.,
" BEGG, DUNLOP & Co.,
" MACKNIGHT, ANDERSON & Co.,
" JARDINE, SKINNER & Co.,
" WILLIAMSON, MAGOR & Co.,

*Members of the Committee appointed by the Syndicate for the extension of the Trade in Indian Tea with Australia.*

R. B. MAGOR,
*Secretary to the Committee.*

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*From Government of India, to R. B. Magor, Esq.,* —*No.* 99, *Calcutta,* 19*th February* 1880.

I am directed to acknowledge the receipt of letter, dated the 14th current, reporting that you and certain other gentlemen have been deputed by the Chamber of Commerce and by other merchants of Calcutta to raise funds and prepare a scheme for deputing a mercantile representative to the Melbourne Exhibition.

2. The Governor-General in Council is glad that the merchants of Calcutta have been able to arrange for adequately representing the commercial interests of India at the Melbourne Exhibition, and he trusts that the co-operation of your representative will materially aid the other Indian Commissioners in paving the way for an important trade to Australia in Indian products, and manufactures. On learning from you the name of your representative, I shall, under instructions from His Excellency the Viceroy in Council, inform the Governor of Victoria that he is appointed one of the Indian Commissioners to the Exhibition. Mr. E. Buck, the President of the Bengal Committee, and himself one of the Commissioners to the Exhibition, will be informed of the arrangements made at the suggestion of the Chamber of Commerce.

3. It is understood that the representative of the Calcutta merchants will, in his capacity as Indian Commissioner, render general aid to Mr. Buck and the other Commissioners, in the manner described by your fifth paragraph. The Governor-General in Council is prepared to grant Rs. 6,000 from the Exhibition allotment towards the cost of sending the commercial representative to the Melbourne Exhibition.

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## STATISTICS OF INDIAN TEA: DECLARATION OF ACTUAL WEIGHT.

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A MATERIAL discrepancy in the quantities of tea shipped from this port and the actual receipts in London having been brought to the Committee's

notice, they placed themselves in communication with all the tea brokers in Calcutta, and with the Collector of Customs, with the view to secure correct statistics: the former promptly expressed their readiness to state in their sale catalogues the actual weight of each lot, so as to enable shippers to give accurate figures in their shipping bills, and the Collector is prepared to co-operate in the matter by requiring exporters to declare that the weight stated by them is correct.

The Committee trust that by these means the statistics of a large and increasing trade will, for the future, be free from error.

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*From Chamber to Collector of Customs.*

*Calcutta, 22nd March* 1880.

The Committee of the Chamber of Commerce have had under consideration the following statement in Messrs. Wm., Jas, and Hy. Thompson's Indian Tea Circular of the 5th of last month:—

"We have frequently been asked to account for the discrepancy between the Calcutta figures of shipments and the London returns of imports. For several years the latter have exceeded the former by 6 to 8 per cent.; and it has been assumed that the London figures are not accurate. A careful comparison, however, of weights entered in the ships' manifests with actual invoice

weights here, leads us to think the weights are underestimated in Calcutta. The warehouse returns from which the monthly statements are compiled are made in "chests, half-chests, and boxes," which are reckoned at an average of 92lbs. per chest and 42lbs. for half-chests and boxes. The average weight of chests appears to be reckoned in Calcutta at about 85lbs., and this difference accounts for the discrepancy.

"If this explanation be correct, it follows that the total export last season was about 37 million lbs., instead of 34½ millions, and that this season it will be 39 millions instead of 36 to 37, as estimated.

"The Board of Trade Returns make the total imports last year 39,236,000, compared with 38,484,000 by warehouse returns, and 36,433,000 by the total cargoes, which more than confirms our opinion."

On making enquiry, the Committee find that it is a common practice with some buyers of tea in this market to give an average weight per chest in their export challans, which is in most cases under the actual weight. They say that they do not receive the actual weights from the brokers at the time of purchase, and that much time would be lost in obtaining the necessary particulars if they are obliged to give accurate figures in their export bills of entry.

The need for such accuracy is, however, none the less apparent in the interests of both buyers and sellers of tea, to whom it is of the utmost importance to have accurate and reliable statistics of the trade; and it has been suggested to the Committee that if the selling brokers would

print an additional column in their sale catalogues, giving the nett weight in lbs. of each lot, and also state these particulars in their contracts, the buyers would have no excuse for passing inaccurate bills of entry through the Custom House.

This suggestion has been submitted to brokers, who have expressed their willingness to adopt it; and the Committee trust you will assist the movement by requiring shippers of tea to declare that the weights entered in their passes are correct.

By these means the Committee believe the material discrepancies to which attention has been called would cease.

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*From Collector of Customs to Chamber,—*
*No.* 1017, *dated the* 24*th March* 1880.

I have the honor to acknowledge receipt of your letter of the 22nd instant, and, in reply, to inform you that I shall be glad to co-operate with the Committee of the Chamber in obtaining correct statistics of the exports of tea or other produce. I understand, however, that tea is not always exported under the identical marks and numbers which represent it in the broker's sale catalogues, so that even if I were supplied regularly with copies of those catalogues, I should not be able to check the quantities given in the various shipping bills unless exporters were required to declare particulars of the sale lot numbers in their shipping bills, which they would probably object to do on the score of trouble or for other reasons.

2. I shall be prepared to address the Board on the subject of the alteration in the shipping-bill declaration as far as regards extending such declaration to weight or quantity, should your Committee think that correctness will be by this means secured. But I would point out that, unless I can apply some test as regards the weights declared, probably more could be effected by the Chamber in pressing upon all its members the advisability of accurate declarations than by any means that could be adopted here, short of actual weighments, which would of course interfere considerably with the despatch of business, and cannot therefore be adopted.

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*From Chamber to Collector of Customs.*

*Calcutta, 5th April* 1880.

I am directed to acknowledge the receipt of your letter No. 1017 of the 24th of last month, and to thank you for your prompt reply.

The Committee of the Chamber being of opinion that it is extremely desirable to obtain accurate statistics of the exports of tea, and as the Tea Brokers have expressed their readiness to respond to the Committee's suggestion by stating in their printed catalogues the actual weight in each lot put up for sale, they gladly accept your proposal to address the Board of Revenue with the view to shipping bills being required to contain a true declaration of the quantity passed for shipment. The Committee believe that an official requisition that actual weights be declared will go far to secure the accuracy which is essential to trustworthy statistics of the important tea industry of this province.

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*From Collector of Customs to Chamber,—*
*No. 1586, the 11th May 1880.*

I have the honor to invite your attention to a notification which appears in to-day's *Exchange Gazette* regarding a declaration of weight which shippers of tea will, from the first proximo, be required to make in their Shipping Bills.

As this notification has been published at the request of your Committee, I shall be obliged if they will, in the interests of the public, take measures to impress upon all members of the Chamber the importance of correct declarations.

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## STANDARD SAMPLES OF INDIAN WHEAT.

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THE following communication from the London Corn Trade Association having been circulated among members, the Committee hope that shippers of wheat will not lose sight of the representation which has been made for their guidance.

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*From the London Corn Trade Association.*
*London, 2nd January 1880.*

Sir,—I am instructed by the Executive Committee of this Association to call your attention to the fact that some difficulty has been experienced this season in making up Standard Samples of No. 2 Calcutta Club Wheat, in consequence of hard Bengal Wheats having been substituted for the well-known soft White Wheats shipped in former years.

The districts in which these soft White Wheats are grown are well known, also the difference in value between these and hard Bengal Wheat.

In order to save disappointment in a season which to all appearances promises to be prolific and to lead to large exports from your port to this country, I am instructed to inform you, for the guidance of shippers, that from next season all shipments will be excluded from the standards to be established by this Association which are not of the distinct character warranted in the contract, and also to call your attention to Rule 10 in the contract issued by this Association, of which I beg to enclose a copy.

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## RULES.

1. PROVISIONAL INVOICE, with ship's name, marks, number of bags, and date of Bill of Lading, shall be handed by the original seller to his buyer within ten days after arrival of the documents in London, but in no case later than 40 days for shipments by steamer and 50 days for shipments by sailing vessel, from date of bill of lading and by the subsequent sellers in due course, unless arrival of Mail Steamer be delayed by unforeseen circumstances. If documents are tendered within the time stipulated, but after arrival of the steamer to which the tender refers, landing charges incurred shall be borne by seller. No more than two appropriations shall be made on each 100 tons of wheat. A tender to the buying broker to be deemed a tender within the terms of this contract; all buyers not employing a London broker to name in their contract a domicile in London, where tenders may be made. The name of the original seller shall be inscribed on each invoice.

2. BILL OF LADING to be considered proof of dates of shipment in the absence of evidence to the contrary. Each shipment to be considered a separate contract.

3. NOTICE TO RETIRE DOCUMENTS shall be given by the ast buyer to the original seller, and also to his seller, before 12 o'clock on the day of payment.

4. REJECTIONS AND DIFFERENCES IN WEIGHTS shall b[illegible] settled at the cost, freight, and insurance market value, of the quali[illegible] guaranteed, on the day on which delivery order for rejections, and, o[illegible] dock warrant is tendered, or if not a market day, the following market day. The claim for settlement to be made within seven days of the receipt of the Dock Company's final return.

5. MARKS.—Any deviation of marks from B/L or invoice not to be objected to, so long as quality comes within terms of contract, and the bags bear the *bonâ fide* mark of the shippers. Any expenses incurred in landing and assorting deviating marks to be borne by original seller.

6. SEA DAMAGED.—Receiver shall and first seller may give orders to the dock Company in whose Dock vessels discharges to sort by outward appearance. Water-stained bags not caked or crusted shall be stabbed, and if the wheat be uninjured by sea-water the same shall be received by buyer.

7. SAMPLES to be drawn by the Dock Company in whose dock the ships discharges, from two or more sound bags in every hundred, as they rise from the ship. Should either seller or buyer require more than two bags sampled in every hundred, the extra expense to be borne by the party giving such orders. The sealed dock sample to be taken as correct and final in the case of arbitration.

8. WEIGHTS.—Docks to weigh in all cases for average. If after 30 days of final discharge no other Dock Certificate be produced, the average weights shall be final.

9. IN DEFAULT of fulfilment of contract, either party, at his discretion, shall, after giving notice, have the right of re-sale or re-purchase, as the case may be, and the defaulter shall make good the loss, if any, by such re-purchase or re-sale, on demand.

10. QUALITY.—Should it be decided by arbitration that the wheat shipped is of a distinctly different description to that guaranteed in this contract, seller shall, if required, receive the wheat back at the cost, freight, and insurance market value of the day on which the award is made, of the quality guaranteed, or should the buyer keep the wheat, the seller shall pay such an allowance for inferiority or difference in quality as may be awarded by arbitration in London, but it shall be in the discretion of the arbitrators to give in either case

ages, if any, not exceeding 2/ per quarter over and above the difference in value, according to the special circumstances of the case.

11. NOTICE OF ARBITRATION to be given as soon as the Dock Sample is to hand, but not later than 21 days thereafter.

12. SETTLEMENTS.—After the documents have passed, first seller and last buyer may settle all claims together, in which case the intermediate provisional invoices shall become final.

13. THE POLICIES are to be for the benefit of sellers, and are o be returned to them on final settlement, except in case of total loss. Should there be a general average, then after settlement of same.

14. ANY COMMISSION ON FREIGHT as per Charter-Party or return premium on policies of insurance to be for the benefit of sellers, but any discount for payment of freight in cash to be for benefit of buyers.

15. ARBITRATION CLAUSE.—All disputes arising out of this contract shall be referred to two arbitrators, one to be chosen by each party in difference, the said arbitrators having power to call in a third, in case they shall deem it necessary. In the event, however, of one of the parties appointing an arbitrator and the other refusing, or, for seven days after notice in writing of the appointment, neglecting to do so, such notice to be delivered personally or left at the usual place of business of such other party, or in case the arbitrators appointed by the parties shall not within seven days after their appointment agree to an award or point a third arbitrator, or after the appointment of such third arbitrator; in case of the death, refusal to act, or incapacity of any one or more of such three arbitrators, then, upon application of either of the disputing parties, the questions in dispute shall stand referred to two arbitrators to be appointed by the Executive Committee of the London Corn Trade Association at the meeting convened by notice, and at which not less than three members shall be present. In case the two arbitrators appointed aforesaid shall not within fourteen days after their appointment agree to an award or choose a third arbitrator, then the said Executive Committee, at a meeting constituted as hereinbefore provided, shall appoint a third arbitrator, and shall, in the case of the death, refusal to act, or incapacity of any such three arbitrators from time to time substitute a new arbitrator or arbitrators in the place of the arbitrat or or arbitrators so dying, refusing, or incapacitated.

The arbitrators appointed shall in all cases be principals engaged in the corn trade as merchants, factors, or brokers, being members of the London Corn Exchange, or Baltic, and no person having any interest in the matter in dispute shall be competent to act as arbitrator.

The award of any two arbitrators in writing, signed by them, shall be conclusive and binding upon all disputing parties both with respect to the matter in dispute and all expenses of the reference and award.

No member of the Committee having any interest in the matter in dispute shall vote on the question of the appointment of arbitrators.

## THE DOORGA POOJAH HOLIDAYS.

In their last Report the Committee recorded the views of the Government of India on this subject and the orders passed by the Governor-General in Council, namely, that the public holidays on the occasion of the Doorga Pooja shall hereafter be limited to the four days required for strictly religious purposes, the public offices being closed on those days only,—business being resumed on Monday if the fourth religious day fell on a Friday. The Committee regret to learn that His Excellency the Governor-General has since found reason to alter the conclusion at first formed, and has cancelled the decision then arrived at, the result being that the holidays continue as heretofore.

*From Government of India to Government of Bengal,—No.* 452, *Fort William, the* 28*th January* 1880.

In my letter No. 3045, dated 4th October 1879, I communicated to you the decision of the Governor-General in Council that effect should be given to the recommendations by the majority of the Committee convened last year, by the Government of Bengal, to consider the question of the annual holidays to be allowed in public offices on the occasion of the Doorga Poojah, as follows :—

(1) that only the four days required for strictly religious purposes should be close holidays in the public offices ;

(2) that if the fourth religious day fell on a Friday, the public offices should not re-open until the following Monday ;

(3) that the Public Debt Office, the Treasury, the Currency Office, the Money Order Office, the Stamp Office, and all the Pay Offices should be closed on these four days only ; but that in other public offices the heads of departments should have discretion to give leave to their subordinates for the whole or any part of the twelve days, provided the current work of their offices is carried on.

2. Since his return to the Presidency, His Excellency the Governor-General has found reason to doubt whether the Government of India allowed sufficient weight to the inconvenience which will be entailed by the enforcement of this decision upon the Hindu community of Calcutta and some other parts of Bengal, and to the strength of the popular attachment to these annual holidays.

3. On the other hand, His Excellency is disposed to think that he may have under-rated the extent to which the complaints of the mercantile community may be obviated, or at least mitigated, by careful arrangements in the several public offices to meet their requirements.

4. Accordingly the Governor-General in Council has determined to cancel the decision recorded in my letter of the 4th October, and to adopt the conclusion advocated in the 22nd paragraph of Mr. Cockerell's letter No. 3809, dated 12th September, namely, that the observance of the Doorga Poojah holidays in the public offices in Calcutta shall continue as heretofore.

5. But His Excellency in Council relies upon the Government of Bengal to take precautions, in respect to the public offices subordinate to it, to reduce to a minimum the inconvenience and loss which the mercantile community must, in consequence of this determination, continue to bear, and which he trusts that they will not object to bear out of consideration for the interests and wishes of their numerous Hindu fellow-citizens.

6. The Governor-General in Council will enquire what arrangements to meet the convenience of the mercantile community are possible in the offices subordinate to the Government of India.

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## DEPARTURE OF OVERLAND MAIL STEAMERS FROM BOMBAY.

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THIS subject has engaged the attention of the Committee for some time past. In order to meet the Bombay objection to a Saturday forenoon

closing, it was proposed that the train service should be accelerated by 2 to 3 hours, thereby admitting of the mails reaching Bombay in time to ensure an early departure of the mail steamer on Saturday morning. To this it has been objected, however, that the entire railway mail service throughout India would be disorganized; but it has been suggested by the Director-General of the Post Office that the same object might be attained by an earlier departure by two hours of the train from Calcutta. This, it is calculated, would have the additional advantage of allowing the mails to reach London 15½ hours earlier than under the present arrangement. The Committee having taken the views of members of the Chamber conclude that there would be less objection to the early closing proposed than to any other change in the departure of the mails which could be made to meet the wishes of the mercantile communities of Bombay and England.

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*From Chamber to Government of India.*

*Calcutta, 19th February* 1880.

The Committee of the Chamber of Commerce desire me to submit the following representation for the consideration of the Viceroy and Governor-General in Council, and to request you will do them the favor of taking an early opportunity to place the matter before His Excellency.

In the accompanying copy of the Chamber's Report, at pages 120 to 129, will be found a correspondence between the Director-General of the Post Office of India and the Committee of the Chamber, relative to the departure from Bombay of the Peninsular and Oriental Company's steamers carrying the homeward overland mails under the new contract.

It will be seen that the arrangements finally arrived at were that, instead of varying dates of departure from Bombay according to the season as previously in force, the mails were to be despatched weekly on a fixed day, throughout the year, in the same manner as the outward mail from London is regulated, and, according to the Director-General's telegram of 21st August to the British Post Office, Friday evening was the time appointed.

The resolution to despatch the mails on a fixed day throughout the year was regarded by the Committee of the Chamber as a public convenience, but a Friday evening departure of the steamer was considered a most unsuitable arrangement for the commercial community, as it involved the closing of mails in Calcutta on Tuesday, a very early day in the week, and the compulsory observance of which during the monsoon months had been felt a great inconvenience by merchants and bankers. The Committee submitted that if steamers were to leave Bombay on Saturday at noon instead of Friday evening, the detention would admit of the mails closing in Calcutta on Wednesday, so as to reach Bombay in sufficient time to admit of the steamers getting away by 12 o'clock, and that the arrangements under the mail contract would not be materially disturbed: and that while Calcutta

would gain a day, Bombay would not only have Friday for mail-day—so anxiously desired by the community of that city—but be able also to post any supplementary correspondence up to the time of the steamer's departure the following morning.

The Director-General replied to this reference on the 30th September, and remarked that the proposal to start the steamers about noon on Saturday would be objected to in Bombay on the ground of a Saturday forenoon closing being a graver inconvenience than a Tuesday evening closing in Calcutta; but on the 20th of the following month the Chamber was informed, by telegraph, that the mail departure from Bombay had been fixed for Saturday.

The Committee consequently understood that their application had been complied with both as to the day and hour of departure from Bombay, but they subsequently learned that the steamers would not leave till Saturday evening, and that the Bombay Chamber had protested against the detention: whereupon the Committee telegraphed to the Director-General, on the 27th November their request that he would adhere to the original arrangement for a Saturday noon departure.

It appears, however, that the Saturday evening departure is still maintained, and the Bombay community have addressed the Government of India, urging that the mails be closed, and the steamers despatched, on Friday evening; which would make Tuesday the mail-day in Calcutta instead of Wednesday.

The Committee cannot but express their extreme regret that in a matter which so largely affects the convenience

of the banking and commercial interests of Calcutta the Bombay public should press for an arrangement which altogether ignores that convenience, and they respectfully represent that the grounds upon which objections are raised at Bombay to a Saturday departure, *viz.*, the interference with the usual half-holiday and the convenience of the Volunteer movement, are not in themselves of such consequence that they should be held to outweigh the far more important considerations which demand that the matter at issue be determined as already applied for by this Chamber.

At the same time the Committee are strongly of opinion that their original proposal for a Saturday-noon departure is the only one which, if strictly carried out, will effectually meet the objections of the Bombay community, avoid the undue detention of Calcutta letters at that port, and preserve to Calcutta Wednesday as the mail-day, which has been found to be the most suitable day in the week for the purpose. The proposal to close the mails in Bombay strictly at noon, but to detain the steamer till evening, would not meet the objections raised, as letters would continue to be posted on board the steamer up to the hour of her departure. The only way to secure the half-holiday to Bombay is to start the steamer *punctually at noon on Saturday*, and no objections of any weight have, in the judgment of the Committee, been brought forward against this arrangement.

The convenience of passengers arriving in Bombay with the mails ought not to be considered in this instance any more than in the case of those arriving at Brindisi with the outward mails from London. If ample time

is given to them to go on board from the railway with their luggage, that is all they can reasonably expect. Those who have business to do in Bombay can easily time their arrival there so as to get their business done before the steamer starts.

The other objection, that starting the steamer at noon from Bombay would not accelerate the arrival of the mails in London, has more weight, but the Committee are of opinion that this assertion has yet to be proved. It may be possible to accelerate the train service across India so as to save two or three hours on the journey, and enable the steamer to leave Bombay at 10 o'clock on Saturday morning, thus giving a start of nine hours in advance of the present arrangement. By further saving of time in steaming between Bombay and Suez three hours might be gained, and the Committee are unable to see why such a saving might not, with proper arrangements as to a train service through Egypt and across the Continent, be maintained throughout the rest of the route.

At all events, the Committee deprecate in the strongest manner any change in the mail-day fixed for Calcutta, and they see no reason why, while adhering to present arrangements as regards this city, the just requirements of the Bombay community may not also be met in the way indicated above.

Although not strictly connected with the object of this letter, the Committee cannot help calling attention to the undue detention in Bombay of the outward Calcutta mails for eighteen hours on the arrival of the last steamer. It is surely practicable to avoid such a serious loss of time in future, by re-arranging the present system as to the

period of starting express trains, and accelerating the speed of the regular mail train in cases where it is an object to make up for the late arrival of the steamer in Bombay. The Committee trust Government will press this matter on the attention of the postal and railway authorities.

## GOVERNMENT TRADE-CIRCULAR.

MEMBERS will notice from the following correspondence that the Government of India contemplate the preparation of a trade-circular, or a monthly return of average prices of all principal articles of import and export; and that in the opinion of the Committee there would be insuperable difficulties in the way of compiling such an elaborate statement as the Government desire to publish, and that it would tend rather to mislead than to be of any practical value.

*From Collector of Customs to the Chamber,—No.* 145, *dated the* 13*th January* 1880.

I have the honor to enclose for the information of the Chamber three copies of a Resolution by the Governor-General in Council, and to invite attention particularly to the 4th para.

2. I shall be obliged by your obtaining for me an expression of the Chamber's opinion as to the articles and various descriptions of each kind which it is desirable to show in the Price Current ordered by the Government,

and the denomination or "terms of quantity" for each, which would be found most convenient to the mercantile community in checking the correctness of the values recorded.

I have the honor to be,

Sir,

Your most obedient Servant,

(Sd.) J. D. MACLEAN,

*Collector of Customs.*

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*RESOLUTION—By the Government of India, in the Department of Finance and Commerce, (Customs)—No.* 91C., *dated the* 19*th November* 1879.

In paragraph 4 of the Resolution in the Department of Finance and Commerce, No. 1972, dated the 30th July 1879, instructions were given for the preparation in Calcutta, Bombay, Madras, Rangoon, and Karachi of a monthly return of average prices of all principal articles of import and export.

2. It seems from the statements prepared under these instructions at Calcutta, Bombay, and Rangoon (from which places only have statements as yet reached the Government of India) that some misapprehension exists in regard to the principle on which they should be prepared. If the monthly returns are to be of practical value, the principle stated in paragraph 8, clause *(c);* of the Tariff Commission's Report, that "the formal scrutiny of the statement by the mercantile community should be secured," must be carried into effect. For this purpose the statement should be so framed in every way that any merchant would be able to detect errors or misquota-

tions in respect of the articles in which he deals, and bring them to the notice of the local Collector of Customs or the Chamber of Commerce. In other words, the list should quote articles in the denominations in which they are locally sold and give the local market prices. If twist, for instance, is quoted in pounds where the local custom is to quote it in bundles, and if the price be the strict "real value" as defined in the Customs' Act, Section 30, no merchant will take the trouble to convert the quotations into the terms of those current in the local market, and nobody will subscribe for the list. Whether circulated free of charge or published in the *Government Gazette*, it will be generally useless to merchants, and the monthly check which the Calcutta Chamber of Commerce has promised to apply to these returns will become more difficult of application.

3. The list should in fact be a local "trade-circular," speaking the language of the local trade, and capable of immediate comparison with the trade-circulars issued by private firms or by the Chamber of Commerce. It should be prepared in the appraising branch of the Custom House under the responsibility of the head appraiser, and qe su 'p esɐb bserved in paragraph 8, clause *(a)*, of the Tariff Commission's Report of the 11th March 1879, "on admitted values of goods and on original enquiries in various quarters," the former being used to check the latter. It should contain every separate item specified in the tariff schedule in which there is any local trade, and it may include as many subordinate denominations as may be necessary to arrive at a fair average in any instance, or for convenience of local testing. In the case of cotton goods, besides other sub-divisions, the qualities

which under present orders are admitted free should be shown separately from those which are dutiable.

4. The Governor-General in Council desires that the Collectors of Customs should be instructed without delay to prepare the monthly returns in accordance with these remarks. The returns should be prepared in communication with the mercantile community, whose suggestions should be freely invited as to the articles which should be shown in the lists and the terms of quantity in which prices should be stated.

5. Besides these monthly returns, the Government of India also contemplated the preparation by the Customs' Collectors of Calcutta, Bombay, Madras, Rangoon, and Karachi of an annual return giving the average prices for the calendar year of all articles of import and export, the return to be compiled from the monthly returns of prices.

6. It is requested that this return may be compiled in the form shown below :—

| Heads and sub-heads. | Present Tariff, if any. | | Market Prices. | | | | | Tariff Value proposed by Collector of Sea Customs. | Suggestions by Local Chamber, &c., if any. | Remarks. |
|---|---|---|---|---|---|---|---|---|---|---|
| | Per. | Value. | 1877. | 1878. | 1879. | Average for the three years. | "Reduced" average. | | | |
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | |
| | | | | | | | | | | |

It should include comparative figures for three years, and contain any remarks that may seem required on the

state of trade or its fluctuations in any particular article. The market prices (columns 4, 5, and 6) and the average (column 7) should be stated in the terms of quantity used in the local market, and should correspond in regard to denomination and the basis of value with the monthly returns, the table being framed on the same principle.

7. The "reduced" average prices and tariff value in columns 8 and 9 of this return should be given for the denominations used in the tariff schedule, the values being the real values required by the Customs' Act for the assessment of duty, not the market prices entered in the previous columns. The return for the current year should be forwarded to the Collector of Customs at Calcutta before the close of January next for incorporation into a general return for India. The figures for 1877 and 1878, which are to be shown in the return for 1879, may be taken from the returns which were furnished for the use of the Tariff Commission in February last.

Ordered: that a copy of the foregoing Resolution be forwarded to the Governments of Madras, Bombay, and Bengal, and to the Chief Commissioner of British Burmah, for information and guidance, in continuation of Resolution No. 1972, dated the 30th July last.

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No. 2560—225C.

Copy forwarded to the Secretary to the Board of Revenue in the Miscellaneous Revenue Department, for information and guidance, with reference to his No. 970B.

of the 11th September 1879, and previous correspondence.

By order of the Lieutenant-Governor of Bengal,
C. W. BOLTON,
*Under-Secy. to the Government of Bengal.*

Calcutta;
REVENUE DEPT.—*Mis. Revenue,*
*The 3rd December* 1879.

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*From Chamber to Collector of Customs.*
*Calcutta, 28th February* 1880.

With reference to your communication of the 13th ultimo, No. 145, I am directed by the Committee of the Chamber of Commerce to express their regret at the delay in replying thereto.

Whilst always willing to assist the Government in the collection of statistics, or in any other manner, the Committee, after mature consideration, do not think it possible that such a "trade-circular" as Government proposes could be drawn up, which would be of the slightest use in checking values. The tendency among merchants, of late years, has been to get special marks and numbers of their own, in all descriptions of cloth, and any mere general quotation would be no guide as to the relative value of cloth coming under the same denomination, when it bears these special marks, &c.

For instance, the staple item in Grey Goods, *viz.*, Shirtings of 8¼ lb. weight, varies in price from Rs. 4-8 to Rs. 6 at the present moment, whilst two cloths of nearly equal intrinsic value will vary 2 to 4 annas per piece

according as the marks are more or less known and approved. Grey Jacconets do not show so great a variety, as the yarns of which they are made are more limited in range than shirting yarns; but here a favorite mark will command half an anna more than another equally good, though not so well known. In Grey Dhooties there is still greater variation in kinds and qualities, and no quotation of a reliable nature can be given by one merchant of another's goods. The qualities are too numerous to detail.

The same remarks apply, but with still greater force, to all white and dyed goods. For instance, to take white shirtings; a quotation would mean nothing to any merchant in the trade unless he had a sample of the cloth before him, nor could a quotation for a T. Red Cambric convey any information unless the dyer's name was given and the number of tickets in the piece, these last being used in greater or less number according to the quality of the cloth.

In Mule Twist the same variations occur, and unless the spinner's name were given no fair quotation could be made.

It is true that the Chamber of Commerce issues a fortnightly circular quoting for all kinds of goods, but it will be noted that for each description lowest and highest prices are given, so that a specific article might be anywhere between the rates given.

Under these circumstances the Committee think that any "trade-circular" got up in the Custom House, where the appraisers can only arrive at intrinsic values, and

know nothing of the market prices of each mark, would only be misleading, and would therefore be of little use.

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*From Collector of Customs to Chamber,—*

*No.* 829, *Calcutta, 9th March* 1880.

I have the honor to acknowledge the receipt of your letter, dated 28th ultimo, giving expression to the views of the Committee of the Chamber regarding the new price current proposed by the Government of India, and to inform you that I have communicated the opinions therein expressed to the Board of Revenue for transmission to the Government.

2. In connection with this subject, I request your Committee to impress upon all members of the Chamber the importance, in both their own and in the Government interests, of always declaring correct real values for tariff-rated goods.

3. The real value should be, as prescribed in Section 30, Act VIII., 1878,—the wholesale market price at which the goods could be sold on the day of entry less duty and trade discount. I would suggest that the declarations should always be made by, or under the direction of, a member of the firm, or responsible European assistants, and not left to sircars or others ignorant of the market values; and I shall be obliged if you will invite the attention of your Committee to the subject of this letter as early as possible.

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## STAMPS.

PROPOSED INTRODUCTION OF COUNTERFOIL STAMPED FORMS FOR INSTRUMENTS LIABLE TO ONE-ANNA STAMP DUTY, &c.

*From Government of Bengal to Chamber,—*
*No. 9, dated Calcutta, 23rd January* 1880.

I am desired by the Lieutenant-Governor to forward the enclosed copy of a letter from the Government of India, in the Department of Finance and Commerce No. 1933, dated the 29th July last, enquiring what measures should be adopted to give effect to the proposal for introducing the use of counterfoil stamped forms, or for stamping forms supplied by private parties; and to request that His Honor may be favored with the opinion of the Chamber of Commerce on the subject.

*From Government of India to Government of Bengal,—No.* 1933, *dated Simla, the 29th July* 1879.

It is desirable, in the interests of the stamp revenue, to promote the use of counterfoil stamped forms for such documents as—

Promissory Notes payable on demand.
Brokers' Notes.
Delivery Orders.
Shipping Orders.
Proxies.
Receipts.

Cheques and other documents on which the stamp is one anna.

2*nd*.—I am accordingly directed to invite the Government of Bengal to consider how this experiment can most conveniently be made.

3*rd*.—It seems to the Government of India that the Government should undertake either to stamp any forms printed for the purpose by any respectable firm, or to supply counterfoil stamped skeleton forms of any device that may be desired, and that, if a considerable supply (say, not less. than 500) be taken, no charge should be made for printing and stamping.

4*th*.—Some kind of impressed stamps should be used, not labels of any kind. But if the supply be confined to firms of respectability, the risk of any fraud would probably be imperceptible.

5*th*.—I am to request that the Government of Bengal will report the measures which it proposes to take to give effect to the suggestions contained in this letter.

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*From Chamber to Government of Bengal.*

*Calcutta,* 31*st January* 1880.

The Committee of the Chamber of Commerce desire me to acknowledge the receipt of your letter No. 9 of the 23rd instant, forwarding copy of letter from the Government of India relative to forms for documents on which one-anna stamps may be impressed; and to inform you, in reply, that as all banks and almost every house of business prefer to use their own forms of documents, it would be a far more convenient arrangement that those documents should be presented for impressment of stamps as circumstances required, than the plan suggested of

supplying counterfoil stamped skeleton forms issued by Government.

## REVISION OF CUSTOMS TARIFF VALUATIONS.

THE Committee having been invited by the Government of India to nominate a representative of the Chamber to act as a member of a Committee appointed to revise and settle the tariff valuations for the current official year, they proposed Mr. O'Keefe, of Messrs. Kettlewell, Bullen & Co., by whom that duty has been discharged.

*From Goverment of India to Chamber,—*
*No. 15C., Calcutta, 15th January,* 1880.

I am directed to transmit copy of a Resolution No. 14C (Customs) of this day's date, appointing a Committee to revise the tariff valuations, and to state that His Excellency the Governor-General in Council will be glad if the Chamber of Commerce will consent to nominate a representative to act as a member of the Committee.

*Government of India, Department of Finance and Commerce,—No. 14C., Calcutta, the 16th January* 1880.

Read Resolution by the Government of India, No. 1972 (Customs), dated the 30th July 1879.

In paragraph 4 of the Resolution cited, it was decided to appoint a Committee yearly to revise the tariff valua-

tions. The Governor-General in Council is accordingly pleased to appoint, for the purpose of settling the valuations to be adopted for the next official year, a Committee of three members, *viz.*, the Honorable T. C. Hope, C.S.I., a member of the Legislative Council of the Governor-General, Mr. J. D. Maclean, Collector of Customs at Calcutta, and a representative who, it is hoped, will be nominated by the Bengal Chamber of Commerce.

2. The Committee will be good enough to assemble without delay, and to submit its recommendations to the Government of India as early as possible, in accordance with the instructions contained in paragraph 4 of the Resolution cited in the preamble.

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Ordered: that a copy of this Resolution be sent to the Secretary to the Bengal Chamber of Commerce for information.

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*From Chamber to Government of India,*

*Calcutta, 19th January* 1880.

The Committee of the Chamber of Commerce desire me to acknowledge the receipt of your letter No. 15 of the 16th instant, and to nominate Mr. James William O'Keefe, of Messrs. Kettlewell, Bullen and Co., to act as a member of the Committee appointed to revise the tariff valuations.

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## THE COMMITTEE.

UNDER the provisions of Rule VIII., the Committee have appointed as their colleagues Mr. H. B. H. Turner and Mr. W. E. Crum in the room of Mr. W. Duncan and Mr. T. F. Hamilton, who have proceeded to Europe; and the confirmation of their election is now requested.

## FUNDS OF THE CHAMBER.

THE balance at credit of the Chamber on the 30th April 1880 amounted to Rs. 3,793-11-5, exclusive of Rs. 15,000 in 4 per cent. Government Securities.

JOHN MORISON,
*Vice-President.*

# APPENDIX.

# FUNDS OF THE CHAMBER.

*Statement of the Funds of the Bengal Chamber of Commerce, from 1st November 1879 to 30th April 1880.*

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| To Office Rent ... ... ... | | | | 900 | 0 | 0 | By Balance ... ... ... | | 3,381 | 14 | 8 |
| ,, Establishment ... ... | | | | 5,361 | 0 | 0 | ,, Government Securities ... | | 15,000 | 0 | 0 |
| ,, Charges General ... ... | | | | 3,525 | 8 | 3 | | | | | |
| | | Rs. | | 9,786 | 8 | 3 | | Rs. | 18,381 | 14 | 8 |
| To Balance— | | | | | | | ,, Subscriptions ... | 7,172 | 0 | 0 | |
| Cash in Bank of Bengal | 1,003 | 8 | 2 | | | | ,, Price current and other publications ... | 2,726 | 5 | 0 | |
| ,, in hand ... | 2,790 | 3 | 3 | | | | ,, Interest ... ... | 300 | 0 | 0 | |
| Reserve in Government Paper | 15,000 | 0 | 0 | | | | | | 10,198 | 5 | 0 |
| | | | | 18,793 | 11 | 5 | | | | | |
| Rupees | | | | 28,580 | 3 | 8 | Rupees | | 28,580 | 3 | 8 |

CALCUTTA,
30th April 1880.

E. E.
H. W. I. WOOD,
*Secretary.*

**TONNAGE SCHEDULE** for the PORT OF CALCUTTA, adopted at a Special General Meeting of the Bengal Chamber of Commerce, held on the 12th February 1872, with effect from 1st September 1872, except as regards the measurement of Cotton, Hemp, Jute, Jute Cuttings, Rhea, Safflower, and other articles similarly packed, which, under the Chamber's Resolution of 14th June 1872, had effect from 1st July 1873.

| ARTICLES. | Cwt. per Ton Nett. | Cubic feet per Ton. |
|---|---|---|
| Aloes, in bags and boxes | 20 | ..... |
| Alum, in ditto | 20 | ..... |
| Aniseed, in bags | 8 | ..... |
| Arrowroot, in cases | ..... | 50 |
| Arsenic, in bags or cases | 20 | ..... |
| Asafœtida, in bags and boxes | 20 | ..... |
| Apparel, in boxes | ..... | 50 |
| Bark, in bags | 8 | ..... |
| Bees' Wax | 20 gross | |
| Barilla | 20 | ..... |
| Betel-nut | 20 | ..... |
| Books | ..... | 50 |
| Borax | 20 | ..... |
| Bran | 14 | ..... |
| Brimstone | 20 | ..... |
| Bullion | at per cent. | |
| Cake-lac, in bags | 16 | ..... |
| Camphor, in cases | ..... | 50 |
| Cardamoms, in robins | 8 | ..... |
| ,, boxes | ..... | 50 |
| Cassia, in boxes | ..... | 50 |
| ,, bags | 12 | ..... |
| Castor Seed | 15 | ..... |
| Chillies, (dry) in bags | 8 | ..... |
| China Root, in bags | 11 | ..... |
| ,, boxes | ..... | 50 |
| Chiretta | ..... | 50 |
| Churrah | 14 | ..... |
| Cigars | ..... | 50 |
| Cloves, in bags | 8 | ..... |
| ,, boxes | ..... | 50 |
| Coals | 20 | ..... |
| Cochineal | ..... | 50 |
| Coffee, in bags | 18 | ..... |
| ,, casks | 16 | ..... |

| ARTICLES. | Cwt. per Ton Nett. | Cubic feet per Ton. |
|---|---|---|
| Coral, rough | 20 | ..... |
| Coir, loose and unscrewed | 12 | ..... |
| Copras, or Cocoanut Kernel | 14 | ..... |
| Coriander Seed | 12 | ..... |
| Cotton | ..... | 50 |
| Cowries | 20 | ..... |
| Cummin Seed | 8 | ..... |
| ,, Black | 8 | ..... |
| Cutch, in bags | 18 | ..... |
| Dates, wet | 20 | ..... |
| ,, dry | 16 | ..... |
| Dholl | 20 | ..... |
| Elephants' Teeth in bulk | 20 | ..... |
| Furniture | ..... | 50 |
| Garlic and Onions | 12 | ..... |
| Ginger | 16 | ..... |
| Gram | 20 | ..... |
| Gums, in cases | ..... | 50 |
| Gunny Bags and Gunny Cloth | ..... | 50 |
| Gunjah | ..... | 50 |
| Hemp | ..... | 50 |
| Hides, Buffalo, or Cow, cured | 14 | ..... |
| Hoofs, Horn Shavings and Tips | 20 | ..... |
| Horns, Cow, Buffalo, or Deer | 20 | ..... |
| India Rubber, in bags | 16 | ..... |
| ,, cases | ..... | 50 |
| Indigo | ..... | 50 |
| Iron | 20 | ..... |
| Jute | ..... | 50 |
| Jute Cuttings | ..... | 50 |
| Lac Dye | ..... | 50 |
| Lard | 20 gross. | |
| Linseed | 20 | ..... |
| Mace | ..... | 50 |
| Machinery | 20 | ..... |
| Metals | 20 | ..... |
| Mathie Seed | 18 | ..... |
| Mirabolams | 16 | ..... |
| Molasses | 2 puncheons or 4 hhds. | |
| Mother o'Pearl, in bags | 20 | ..... |
| ,, chests | 20 | ..... |
| Munjeet | ..... | 50 |
| Mustard or Rape Seed | 20 | ..... |
| Niger Seed | 20 | ..... |
| Nutmegs, in cases or casks | ..... | 50 |

| ARTICLES. | Cwt. per Ton Nett. | Cubic feet per Ton. |
|---|---|---|
| Nux Vomica | 16 | ..... |
| Oats | 16 | ..... |
| Oil, in cases | ..... | 50 |
| „ casks | 4 hhds. | |
| Opium | per chest. | |
| Paddy | 16 | ..... |
| Palmatine, in bags | 16 | ..... |
| Peas | 20 | ..... |
| Pepper, Long | 12 | ..... |
| „ Black | 14 | ..... |
| Planks and Deals | ..... | 50 |
| Poppy Seed | 20 | ..... |
| Putchuck | 10 | ..... |
| Rags | ..... | 50 |
| Raw Silk, in bales | 10 | ..... |
| Rattans for dunnage | 20 | ..... |
| Red Wood, ditto | 20 | ..... |
| Rhea | ..... | 50 |
| Rice | 20 | ..... |
| Rope, in coils | ..... | 50 |
| „ Lines and Twines in bundles | 16 | ..... |
| Rum, in casks | 2 puncheons or 4 hhds. | |
| Safflower | ..... | 50 |
| Sago, in cases | ..... | 50 |
| Sal-amoniac, in bags | 20 | ..... |
| „ boxes | 20 gross. | |
| Saltpetre | 20 | ..... |
| Salt | 20 | ..... |
| Sapan Wood for dunnage | 20 | ..... |
| Sealing Wax, in cases | ..... | 50 |
| Seed-lac, in cases | ..... | 50 |
| „ bags | 16 | ..... |
| Senna | ..... | 50 |
| Shells, rough, in bags | 20 | ..... |
| Shell-lac, in cases | ..... | 50 |
| „ bags | 16 | ..... |
| Silk Chussum | ..... | 50 |
| „ Waste | ..... | 50 |
| Silk Piece-Goods | ..... | 50 |
| Skins | 14 | ..... |
| Soap, country, in cases | ..... | 50 |
| „ bags | 15 | ..... |
| „ bar | 20 | ..... |
| Stick Lac, in cases | ..... | 50 |
| „ bags | 16 | ..... |

| ARTICLES. | Cwt. per Ton Nett. | Cubic feet per Ton. |
|---|---|---|
| Sugar ... ... | 20 | ..... |
| Tallow, in cases or casks ... ... | 20 | ..... |
| Talc ... ... | 20 | ..... |
| Tamarinds, in cases or casks.. ... | 20 | ..... |
| Tapioca ... ... | ..... | 50 |
| Tea ... ... | ..... | 50 |
| Teel Seed ... ... | 20 | ..... |
| Timber, round ... ... | ..... | 40 |
| ,, squared ... ... | ..... | 50 |
| Tincal ... ... | 20 | ..... |
| Tobacco, in bales ... ... | 16 | ..... |
| Tortoise Shells, in chests ... ... | ..... | 50 |
| Turmeric ... ... | 16 | ..... |
| Wheat ... ... | 20 | ..... |
| Wool ... ... | ..... | 50 |

1. Goods in Casks or Cases to be calculated gross weight when paying freight by weight; and where freight is made payable on measurement, the measurement be taken on the Custom House wharf, or other shipping wharf within a radius of 5 miles from the Custom House, except in the case of Cotton, the measurement of which shall be taken at the Screw-house.

2. Measurement to be taken at largest part of the bale,—inside the lashing on one side, and outside on the other.

3. Jute, Jute-cuttings, Hemp, Cotton, Safflower, and other articles similarly packed, are screwed in bales varying from 300 to 400lbs.

4. The term "dead weight" shall be understood to mean the following articles:—Sugar, Saltpetre, Rice, Wheat, Gram, Dholl, Peas, Linseed, Rapeseed and all Metals.

H. W. I. WOOD,
*Secretary.*

# SCHEDULE OF COMMISSION CHARGES

*Revised and adopted by a Special General Meeting of the Bengal Chamber of Commerce, held on the 18th June 1861,—with effect from 1st January 1862.*

---

| | | | |
|---|---|---|---|
| 1. | On the sale, purchase, or shipment of Bullion, Gold Dust or Coin ... ... ... | 1 | per cent. |
| 2. | On the purchase (when in funds) or sale of Indigo, Raw Silk, Silk Piece-Goods, Opium, Pearls, Precious Stones, or Jewellery ... ... | 2½ | ,, |
| 3. | On purchasing ditto when funds are provided by the Agent ... ... ... | 5 | ,, |
| 4. | On the sale or purchase of all other goods—the commission in all cases to be charged upon the gross amount of sales, and in regard to purchases upon both cost and charges ... | 5 | ,, |
| 5. | On returns for Consignments if made in produce ... | 2½ | ,, |
| 6. | On returns of Consignments if in Bills, Bullion, or Treasure ... ... ... | 1 | ,, |
| 7. | On accepting Bills against Consignments ... | 1 | ,, |
| 8. | On the sale or purchase of Ships, Factories, Houses, Lands, and all property of a like description ... | 2½ | ,, |
| 9. | On goods and treasure consigned, and all other property of any description referred to Agency for sale, whether advanced upon or otherwise, which shall afterwards be withdrawn; and on goods consigned for conditional delivery to others and so delivered, on invoice amount at 2s. per rupee. | half. | com. |
| 10. | On making advances or procuring loans of money for commercial purposes, when the aggregate commission does not exceed 5 per cent. ... | 2½ | per cent. |
| 11. | On ordering, or receiving and delivering goods, or superintending the fulfilment of contracts, or on the shipment of goods, where no other commission is derived ... ... ... | 2½ | ,, |

12. On guaranteeing Bills, Bonds, or other engagements, and on becoming security for administration of Estates, or to Government for the disbursement of public money .. ... .. 2½ per cent.

13. On *del-credere*, or guaranteeing the due realization of sales ... ... ... 2½ „

14. On the management of Estates for Executors or Administrators ... ... ... 2½ „

15. On chartering ships or engaging tonnage for constituents for vessels to proceed to outports for loading ... ... ... 2½ „

16. On advertising as the Agents for Owners or Commanders of ships for Cabin passengers, on the amount of passage money, whether the same shall pass through the Agent's hands or not ... 2½ „

17. On procuring freight for a ship by a shipping order or charter, or on procuring employment for a ship on monthly hire, or acting as Agents for owners, Captain, or charterers of a vessel, upon the gross amount of freight, brokerage inclusive ... 5 „

18. On engaging Asiatic Emigrants for a ship to the Mauritius, the West Indies, or elsewhere, upon the gross amount of earnings ... ... 5 „

19. On engaging troops for a ship to Great Britain or elsewhere, on the gross amount of passage money for rank and file ... ... 2½ „

20. On realising inward freight, inward troops, Emigrant, or Cabin passage money ... ... 2½ „

21. On landing and re-shipping goods from any vessel in distress, or on landing and selling by auction damaged goods from any such vessel, and acting as Agent for the Master on behalf of all concerned, on the declared value of all such goods as may be re-shipped, and on the nett proceeds of all such goods as may be publicly sold ... 5 „

If Opium, Indigo, Raw Silk, or Silk Piece-Goods ... 2½ „

If Treasure, Precious Stones, or Jewellery ... 1 „

| | | | |
|---|---|---|---|
| 22. | On effecting Insurances, whether on lives or property ... .... ... | 2½ | per cent. |
| 23. | On settling Insurance claims, losses, and averages of all classes, and on procuring returns of premium ... ... ... | 2½ | ,, |
| 24. | On drawing, purchasing, selling, or negotiating Bills of Exchange ... ... ... | 1 | ,, |
| 25. | On debts or other claims when a process at law or arbitration is incurred in claiming them ... | 2½ | ,, |
| | Or if recovered by such means ... ... | 5 | ,, |
| 26. | On Bills of Exchange returned dishonored ... | 1 | ,, |
| 27. | On collecting House Rent ... ... | 2½ | ,, |
| 28. | On ship's Disbursements ... ... | 2½ | ,, |
| 29. | On realising Bottomry Bonds, or negotiating any loan on *respondentia* .. ... | 2½ | ,, |
| 30. | On granting Letters of Credit ... ... | 1 | ,, |
| 31. | On sale or purchase of Government Securities and Bank or other Joint Stock Shares, and on every exchange or transfer not by purchase from one class to another ... .. | ½ | ,, |
| 32. | On delivering up Government Securities and Bank or other Joint Stock Shares, on the market value. | ½ | ,, |
| 33. | On all amounts debited and credited within the year (less the balance brought forward) upon which no commission amounting to 5 per cent. has been charged ... ... ... | ½ | ,, |

Brokerage when paid is to be separately charged.

H. W. I. WOOD,
*Secretary.*

## CONVERSION OF STERLING FREIGHT INTO INDIAN CURRENCY.

*The following Resolutions were adopted at a General Meeting of the Chamber, held on the 31st May* 1876.

"1. That the Resolution adopted at a Special General Meeting of the Chamber of Commerce, held on the 18th June 1861 is hereby superseded; that the conversion into Indian Currency of Sterling Freight payable in Calcutta on goods from Great Britain or any port or place where the freight is expressed in sterling money shall be made payable by an approved Bank Bill on demand, or at the rate for Bank Bills on London payable on demand, unless otherwise stipulated; that the rate ruling at the close of a mail shall be the rate applicable for such purpose during the week next ensuing; and that this Resolution shall have effect from the 1st January 1877."

2. That the words *current rate of Exchange* shall be held to mean the rate current for Bank Bills on London payable on demand, unless otherwise stipulated.

3. That the rate for Bank Bills on London payable on demand shall be taken for reducing sterling into Indian money in all cases of commission payable in Calcutta on effecting charters for, or at, the ports of Akyab, Bassein, Rangoon, and Moulmein, for rice or timber; as well as in all cases of difference of freight payable at the said ports on re-charter or relet of tonnage, unless otherwise stipulated.

*Forms of Bill of Lading and Boat Note as adopted at a General Meeting of the Chamber of Commerce on the 17th January* 1880.

---

Shipped in good order and well conditioned,

by _____

in and upon the good Ship or Vessel called the _____

whereof is Master for this present Voyage _____

and now lying in the Port of Calcutta and bound for _____

_____

being marked and numbered as in the margin, and to be delivered, in the like good order and well conditioned, at the aforesaid Port of _____

*(The Act of God, the Queen's Enemies, fire, and all and every other dangers and accidents of the Seas, Rivers, and Navigation of whatever nature and kind soever excepted)*

unto _____

or to _____ Assigns, Freight for the said Goods being payable as customary _____

_____

_____

with Average accustomed. In Witness whereof, the Master or Agents of the said Ship hath affirmed to _____ Bills of Lading, all of this tenor and date, one of which being accomplished, the others to stand void.

Dated in CALCUTTA, this _____ day of _____ 18 .

*Weight and Contents unknown.*

No.....

*Calcutta,*.....18.....

To

*THE COMMANDING OFFICER OF THE*

Ship.....

SIR,

Please receive on board the undernoted Goods from Messrs. .....

and grant a clean receipt for the same.

**N. B.—This cargo is only shipped on the special understanding that the Chief Officer will sign for all counter or quality marks and numbers, and the Bales or Packages are not to be taken on board except on these terms, and also when a Sircar is in attendance to check the tally.**

**In case of any dispute, the Shippers request prompt information in writing from one of the Officers of the ship.**

| Marks and Numbers. | Number of packages. | Description of Goods. | |
|---|---|---|---|
| | | | |

No. .....

*Calcutta*, ..... 18 ...

**Received** on board the ship ..... in good order and condition the undermentioned Goods from Messrs. .....

.....

**N. B.—The Chief Officer is requested not to take in any package unless he is prepared to sign for all the qualifying marks and numbers.**
**All packages in bad order must be returned.**

| Marks and Numbers. | Number of packages. | Description of goods. | |
|---|---|---|---|
| | | | |

*Arrived alongside* .....
*Discharged* .....
*Returned* .....
*Remarks* .....

(Signature) .....
Chief Officer.

*Ship* .....
*Moorings* .....

# MEMBERS OF THE CHAMBER OF COMMERCE.

Aikman, J., Esq., *Acting Agent, Chartered Bank of India, Australia, and China.*
Agelasto, A. and Co.
Apcar and Co.
Anderson, Wright and Co.
Acerboni, F. and Co.
Barlow and Co.
Begg, Dunlop and Co.
Burn and Co.
Barry and Co.
Balmer, Lawrie and Co.
Bulloch, Wellsted and Co. (*Mofussil.*)
Carlisles, Nephews and Co.
Carritt and Co.
Cochrane, S., Esq., *Manager. Agra Bank.*
Campbell, J., Esq., *Manager, National Bank of India.*
Crooke, Rome and Co.
Cohn Brothers and Fuchs.
Duncan Brothers and Co.
Dwarkanath Dutt and Co.
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Ernsthausen and Oesterley.
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Elliott, John and Co.
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Finlay, Muir and Co.
Gisborne and Co.
Graham and Co.
Grindlay and Co.
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Harper, G., Esq., *Agent, Oriental Bank Corporation.*
Henderson, George and Co.
Heilgers, F. W. and Co.
Herbert, C. H., Esq., *Agent, Chartered Mercantile Bank of India, London and China.*
Hoare, Miller and Co.
Huber and Co.
Jardine, Skinner and Co.
Kettlewell, Bullen and Co.
Kelly and Co.
Ker, Dods and Co.
King, Hamilton and Co.
Longmuir, T., Esq., *Manager, Delhi & London Bank, Limited.*
Morris, E., Esq., *Agent, Hong-Kong and Shanghai Banking Corporation.*
Mackillican, J., and Co.
Mackinnon, Mackenzie and Co.
Mackenzie, Lyall and Co.
Macneill and Co.
Macknight, Anderson and Co.
McIntosh, A. R., and Co.
Moran, W., and Co.
Oldemeyer and Hadenfeldt.
Payn, T., Esq., *Manager, Comptoir d'Escompte de Paris.*
Petrocochino Brothers.
Prawnkissen Law and Co.
Prestage, F., Esq., *Agent, Eastern Bengal Railway Company.*
Pigott, Chapman and Co.
Ralli Brothers.
Reinhold and Co.
Robert and Charriol.
Rentiers and Co.
Schroder, Smidt and Co.
Schoene, Kilburn and Co.
Sassoon, David, and Co.
Shaw, Finlayson and Co.
Steel, Octavius, and Co.
Thomas, J., and Co.
Turner, Morrison and Co.
Tamvaco and Co.
Tambaci, Paul and Son.
Ullmann, Hirschhorn and Co.
Wilkinson, Captain C. J., *Superintendent, P. & O. Company.*
Wilson, H. F., Esq., (*Mofussil.*)
Whitney, Brothers and Co.
Williamson, Brothers and Co.
Williamson, Magor and Co.
Wiseman, Mitchell, Reid and Co.
Yule, Andrew and Co.

*Honorary Member :*

J. A. Crawford, Esq., C. S., late Collector of Customs.

# RULES AND REGULATIONS
OF THE
# BENGAL CHAMBER OF COMMERCE.

*First* ..... That the Society shall be styled "THE BENGAL CHAMBER OF COMMERCE."

*Second*... That the object and duty of the Bengal Chamber of Commerce shall be to watch over and protect the general commercial interests of the Presidency of Bengal, and specially those of the port of Calcutta; to employ all means within its power for the removal of evils, the redress of grievances, and the promotion of the common good; and, with that view, to communicate with Government, public authorities, associations, and individuals; to receive references from, and to arbitrate between, parties willing to abide by the judgment and decision of the Chamber; and to form a code of practice to simplify and facilitate transaction of business.

*Third*.... That merchants, bankers, ship-owners, and brokers shall alone be admissible as members of the Chamber.

*Fourth*... That candidates for admission as members of the Chamber shall be proposed and seconded by two members, and may

be elected by the Committee provisionally, such election being subject to confirmation at the next ensuing General Meeting.

*Fifth*..... That the subscription of firms and banks shall be 16 rupees per mensem, of individual members 10 rupees per mensem, and of mofussil members 32 rupees per annum.

*Sixth*..... That any member of the Chamber whose subscription shall be three months in arrears shall cease to be a member, and his name shall be removed by the Committee from the list of members after one month's notice of such default.

*Seventh*... That the business and funds of the Chamber shall be managed by a Committee of not less than five nor more than seven members, including the President and Vice-President, to be elected annually at a General Meeting of the Chamber in the month of May; the President, or, in his absence, the Vice-President, being ex-officio Chairman of the Committee, and in the absence of the President and Vice-President, the Committee to elect its own Chairman. Three to form a quorum.

*Eighth*... Annual elections of President, Vice-President, and members of the Com-

mittee shall be determined by a majority of votes of members, such votes being given in voting cards to be issued by the Secretary, numbered and bearing his signature; and no voting card shall be received for such purpose unless so authenticated. All vacancies created by the absence of the President, or Vice-President, from the Presidency for three months, or by departure for Europe, or by death, shall be forthwith filled up, and the election determined by votes to be taken as above and declared by the Committee. All vacancies created as above by the absence, departure, or death of any of the members of the Committee shall be forthwith filled up by selection by the Committee, subject to approval at first ordinary general meeting thereafter.

☞ *It is specially requested that before a member is returned to serve on the Committee, his nominator shall have ascertained his willingness to accept office in the event of his election by voting cards.*

*Ninth*..... That parties holding powers of procuration shall, in the absence of their principals, be eligible to serve as members of the Committee.

*Tenth.* Two members of a firm or representatives of a bank shall not serve on the Committee at the same time.

*Eleventh.* That the Committee shall meet for the purpose of transacting such business as may come within the province of the Chamber at such times as may suit their convenience, and that the record of their proceedings be open to the inspection of members, subject to such regulations as the Committee may deem expedient.

*Twelfth.* That all proceedings of the Committee be subject to approval or otherwise of General Meetings duly convened.

*Thirteenth.* That a half-yearly report of the proceedings of the Committee be prepared, printed, and circulated for information of members three days previous to the General Meeting at which such report and proceedings of the Committee shall be submitted for approval.

*Fourteenth.* That the Secretary shall be elected by the Committee; such election to be subject to confirmation at the next ensuing General Meeting.

*Fifteenth.* That General Meetings of the Chamber shall be held at such times as the Com-

mittee may consider convenient for the despatch of business.

*Sixteenth.* That any number of members present shall be held to constitute a General Meeting, called in conformity with the Rules of the Chamber for the despatch of ordinary business.

*Seventeenth.* That on the requisition of any five members of the Chamber, the President, or, in his absence, the Vice-President, or Chairman of Committee, shall call a Special General Meeting, to be held within 15 days subsequent to receipt of such requisition.

*Eighteenth.* That every subscribing firm or bank shall be entitled to one vote only, and that the Chairman of Committee and Chairman of General Meetings and Special General Meetings shall have a casting vote in cases of equality of votes.

*Nineteenth.* That parties holding powers of procuration shall, in the absence of their principals, be entitled to vote.

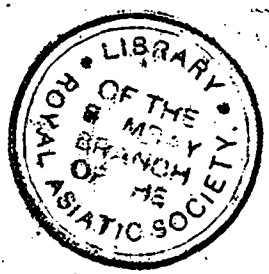
*Twentieth.* That voting by proxy shall be allowed; provided proxies are in favour of members of the Chamber.

*Twenty-first.* That the Chamber reserves to itself the right of expelling any of its members

such expulsion to be decided by the votes of three-fourths of members present in person or by proxy at any Special General Meeting of the Chamber convened for the consideration of such expulsion.

*Twenty-second.* That strangers visiting the Presidency may be admitted by the Committee as honorary members for a period not exceeding two months.

*Twenty-third.* That no change in the rules and regulations of the Chamber shall be made, except by the votes of a majority of the members of the Chamber present in person or by proxy at a Special General Meeting to be held after previous notice of three months.

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